

# CURRENT HISTORY

APRIL 1931



## Woodrow Wilson: A Reappraisal

By CLAUDE G. BOWERS

*Author of "Jefferson and Hamilton," "The Tragic Era"*

THERE is no "mystery" about Woodrow Wilson; nothing in his character or career requiring the interpretation of a psychoanalyst, or justifying the writing of books to explain him. And yet, among the Presidents, his approach to power was without precedent. He passed through the training of no minor political positions until within two years of his election. And while his brief tenure as Governor of New Jersey persuaded the country that he had constructive ability, powers of leadership, courage, and integrity of purpose, many Democrats who admired him had grave misgivings concerning the effect of his nomination and election to the Presidency. To the rank and file he seemed almost an outsider. They had never seen him in conventions, or heard him contending for the principles and policies of the party on the platform; and to most, his was an unknown name.

Thus when, on assuming office, he moved with ease and decision and more than ordinary finesse to the realization of his program, it seemed a miracle to many. Least of all were

the Republicans prepared for such a master duelist. They had reconciled themselves to four years on husks, beyond the green pastures, and were convinced that the "pedagogue of Princeton," ignorant of politics, and knowing little of the practical phases of life, as they thought, would be easy to displace with one of their own choosing. The discovery that a statesman and masterful leader was in the White House appalled them at first, but they felt sure that he would stumble; and for four years of crowded achievement he moved with ease, and without blundering. To veteran Democratic politicians the thing was uncanny.

How did a great statesman so suddenly evolve from a cloistered professor? The answer is simple enough—from youth on, this man of the schoolroom was a statesman at heart. His favorite reading in college was in political literature. When, at a very early age, he came to write, he did not write on the poets, novelists, or even the philosophers but on political topics and leaders. He was enamored of the great European statesmen, especially



the English, and his early papers on John Bright, Lord Chatham and Gladstone were profound and appreciative beyond his years. Economic necessity drove him to the classroom and kept him there through many years; but all the while he was literally panting for the political arena. Occasionally he emerged from the ivory tower to make a special occasion address and then he talked like a statesman. Had he lived in England, a man of his proclivities and capacities would have entered Parliament early, and probably have risen rapidly, but here his profession was a barrier almost impossible to scale. But his steadfast mind never wandered very far from his first love. When he was not engaged in his academic work he was studying political principles and governmental problems in the serene atmosphere of his library. Deeply impressed with the evils of our economic and political system, he discussed them with business men, financiers, economists, thinkers, and after long meditation formed conclusions as to their removal.

Thus Woodrow Wilson spent many uninterrupted years in an intensive preparation for political life; and when the time came for him to enter public life this gave him an enormous advantage over most politicians, even the most intellectual. An American statesman in our hectic age has little opportunity for calm reflection. Unless he masters the fundamentals of political science in very early life he seldom finds the opportunity to think upon them. Always he finds some pressing problem just ahead. Even when he distinguishes himself he is apt to do so as a specialist and thus he loses the comprehensive view. Too frequently he succumbs to cynicism and seeks the easiest way. But Woodrow Wilson had years for quiet meditation. That he was secretly tugging at the chains that kept him from the arena he preferred, we have no doubt. He once wrote that "in a man who is conscious of great powers, whose mind

is teeming and overflowing with great political plans and dreaming of great national triumphs, and who, withal, is hampered on every side by almost every circumstance of his surroundings, we can at least understand an occasional breach of honor"—but his Calvinistic conscience saved him from that.

Through all these years, too, he was burnishing the weapons he hoped to use if some freak of fortune cast him for a public rôle. Poring critically over the speeches of the great orators, he was forming a style of his own that was to stand him in good stead. Thirty years before he became a political figure he concluded from his study of John Bright that "eloquence consists not in sonorous sound or brilliant phrases," but that "thought is the fiber, thought is the pith, of eloquence"—that "eloquence lies in the thought, not in the throat." He noted that the great orators never tear a passion to tatters, and concluded that "emotional demonstrations should come from the audience, not from the orator himself"; and, in the case of Bright, "even at his moments of greatest power, and most consummate achievement, he is speaking calmly but not without deepest emotion—it is, as has been beautifully said, the calmness of white heat."

Thus when he suddenly appeared upon the political platform he was almost a novelty. His appeal to an audience was unique. He did not possess the magnetism of Bryan or the dramatic appeal of a Cockran. He put aside dramatics, was chary of gesticulation and adopted the conversational method. He seldom spoke with passion, and yet so manifest was his sincerity that, as in the case of Bright, the average audience did not miss that "calmness of white heat." But always there was more light than heat. And always there was a cold clarity. It was the substance of his discourse, denoting a constructive and original thinker, that first aroused the curiosity, and then captivated the crowds.



There was something in his platform manner suggestive of an intimate fire-side conversation, an informality that was charming, and an impression of tremendous reserve power. And, strangely enough, there was a keen sense of humor, which, bubbling forth, neutralized what might otherwise have made him seem a mere intellect out of contact with the common lot.

His training was unique; his speaking method was novel; but more astonishing in a party leader there was much in what he had written to create doubts as to the profundity of his belief in the fundamental principles of his party. In his *History of the American People*, an interesting but unscientific work representing no original research, there is nothing to indicate any special preference for Jefferson or his philosophy, and quite enough to denote the scholar's distaste for Jackson. It is significant that during the years he lived at the University of Virginia at the foot of the hill on which is seated Monticello, the home of Jefferson, he was not once moved to make a sentimental journey to the shrine. In one of his early essays, in speaking of real statesmanship, he cites Hamilton and Webster—precisely as Henry Cabot Lodge or Beveridge would have done. The casual reader of his *History* would conclude him a Hamiltonian—as one Senator did, and, in consequence, refused to support him for the nomination in 1912. There are many who believe that he only found himself politically after he launched his reform fights in the Jersey Legislature. His early days in the Presidency anchored him definitely. Until he came to battle for the policies he framed and found his strength mostly with the people, he unquestionably had the aristocratic outlook of the intellectual.

In nothing, however, did he differ from the average politician entering upon the Presidency so much as in having from the first a comprehensive program. Here the long years of ob-

servation and meditation in the ivory tower found fruition in an opportunity. Had he pressed for the downward revision of the tariff, and, that accomplished, done nothing more, his supporters would have been satisfied. But that was the least striking feature of his program. His was the more comprehensive plan of a statesman of vision who had meditated long on evils to be eradicated.

Thus every one knew of the serious need of a reform in the banking system. Urged for years, the Aldrich Commission had assembled a stupendous fund of information, and submitted a plan which seemed, in some important features, unwise to Wilson. It was a subject on which he had thought deeply in the ivory tower. He determined to use the information and devise a plan that would assure the constant circulation of money wherever it was needed. Thus the Federal Reserve System was evolved—the wisest single piece of legislation in generations. In the ivory tower he had long seen the need of better supervision of great business organizations to guide those in doubt as to their rights under the law, to protect the honest and reach the guilty. And the Federal Trade Commission was born. In the serene days of the academy he had noted the constant embarrassment among the farmers in securing loans for the development of their business; and he brought forth the Farm Loan Board. For years he had shared with thoughtful citizens the disgust over the slipshod, unscientific log-rolling methods of tariff-making, reeking so often with corruption, and knew it to be utterly impossible for members of Congress, with a multiplicity of duties, adequately to inform themselves for intelligent action on the tariff. Thus he insisted that Congress create a Tariff Commission.

These were fundamental reforms reaching to all classes of the people, and each was controversial. His



party's leaders in Congress groaned under the load, but he was ruthless. When the tariff bill was passed in the dog days of a Washington Summer, and lawmakers were eager for the seaside, the mountains or the home lawn, he sent a brief, decisive note to the floor leader of the Senate that there could be no adjournment until the Federal Reserve bill was passed. The cloak rooms were sulphurous with curses—but Congress stayed on the job until the work was done.

Within a few months the nation had found a leader—courageous, constructive, tireless, insistent. The critics croaked that he was assuming too much power, pressing his own measures on Congress and using it as a mere registering machine. But had the politicians been familiar with his views, frequently expressed long before his nomination, they would not have been taken by surprise. More than fifteen years before he had written approvingly of the fact that "Presidents were leaders until Jackson went home to the Hermitage," and that "in the old days it was taken as a matter of course that they should be." Through all these years he had found that merely to name the Presidents "was to call the roll of the leaders." And he had written, too: "My studies have taught me this one thing with a definiteness which cannot be mistaken: Successful governments have never been conducted safely in the midst of complex and critical affairs except when guided by those who were responsible for carrying out and bringing to an issue the measures they proposed."

Long before that, in his famous paper on "Cabinet Government" he had dwelt upon the importance of permitting the Executive Department to initiate legislation and defend it in the halls of Congress. Upon these views he acted throughout the first four years, and the nation had a leader. Happily, he was a constructive and a wise one, and the people

responded, and the Congress acquiesced.

Inevitably of such a masterful leader the complaint would be heard that he was intolerant of opposition, and he would, no doubt, have been the last to deny that he was uncompromising in his devotion to a cause. "Toleration," he once wrote, "is an admirable intellectual gift; but it is of little worth in politics. Politics is a war of causes; a joust of principles. Government is too serious a matter to admit of meaningless courtesies." Thus he was a hard hitter, a valiant warrior, and when he chose his side it was not to pay courtly compliments to the other. He had another quality which made secret enemies in his own political household—an incurable distaste for practical politics, and for "professional politicians." This, and the intellectual's impatience of mediocrity. He made some lasting enmities by hurrying important visitors to the point. He was a miser of his time. He made his plans first and held conferences afterward. He had the intellectual's distrust of other minds, and because of his reluctance to delegate duties, assumed too many himself. All these were minor temperamental defects. The mass of the people were not affected by them, and they rallied to him because of their faith in his integrity, courage and wisdom. The party leaders, under the pressure of public opinion, fell in behind his plans, and the result was to make the first administration of Woodrow Wilson one of the nation's richest in constructive achievement.

War is always tragedy, but our embroilment in the last one was especially tragic, for it put a period to the domestic reforms of the Wilson régime. Whether, as a result, we shall ultimately profit through the substitution of peaceable adjudication for the sword in the settlement of international disputes is still on the lap of the gods. But whether we profit or not, Woodrow Wilson's crusading



in the cause of peace will extend his fame into the far future.

As a war President he profited by Lincoln's unfortunate experiences in yielding to the influence of the politicians in the first years in the management of the Civil War and in the choice of commanders. In the military establishment Wilson utterly brushed aside all partisan considerations. Seeking whom he conceived to be the best-equipped soldier for the supreme command, and finding him in Pershing, it mattered not at all that the soldier was a Republican and the son-in-law of Senator Warren. And having entrusted him with the command, he permitted no political interference with his plans. No commander ever had more loyal support from a President. One may microscopically scan the record of these war years and find but one partisan note—and that was more than unfortunate. It was his appeal in 1918 for the election "of a Democratic Congress"; and here the blunder was in the phrasing more than in the thought. If, instead of asking for "a Democratic Congress," he had asked for a "Congress in sympathy with the war and peace aims of the administration," he would have been beyond all criticism. The unhappy wording of the appeal let loose the partisan passions of the country, and never afterward was Woodrow Wilson able to command the bi-partisan support which had made him all but invincible.

But it was not in his management of the war that he caught the imagination of the world as has no other American. For many months before we were involved his had been the one clear, sound, sane voice molding public opinion for the peace. He pitched his voice above the diplomats and politicians of the world and sent it into the homes of common men in all the countries of the earth. And the masses of mankind, amid the horrors of that dreadful struggle, heard it gladly. To them he seemed a veri-

table Messiah. The strength of his position as the head of the nation that finally ended the contest convinced the man in the street in Milan, in Paris, in Warsaw, that he spoke with authority and power. Thus when he went to Europe the ovations he received in all the countries visited were greater than any ever before accorded to mortal man.

Had Woodrow Wilson died before the Peace Congress he would still be one of the world's immortals. Whether he added to his final historic stature after the Congress met is still a matter of controversy. That he alone could have forced the creation of the organization at Geneva and the World Court seems certain. The combination of the international politicians against him from the first indicates the tremendous odds he had to face; and but for the echo of the shouts of the multitude in Paris, London and Milan he might have failed entirely. As it developed, he had to compromise and that shook the faith of the impractical idealist; he had to apply the principles all nations had applauded to the settlements, and that turned against him the extreme nationalists among those who had cheered him in European cities. The cabal against him among American Senators weakened his position where his utmost strength was imperatively required.

That he made mistakes may be conceded. It would have been better, perhaps, had he opened the Congress in Paris and then returned home. It would not have been better had he not gone at all, for the rapturous reception he received from the masses put something of the fear of the Lord into the hearts of the cynical politicians of Europe. But his position after the opening of the Congress would have been stronger had he returned. It would have been better had he placed some outstanding Republican leader such as Taft or Root upon the American delegation. But



it was his lifelong conviction that whatever he would have done he should do himself. It was at once his strength and weakness.

Out of the travail of the Congress were born the League of Nations and the World Court—and these are his monuments. If they survive, his fame is everlasting and international; if they succumb to human greed, and the race is wrecked in bloody butcheries, men will recall him through the generations as a statesman who had foreseen the fate of civilization and sought to save it.

The late Senator Beveridge, a political opponent, once said to me that had Wilson, on the fateful Western tour, fallen dead upon the platform instead of becoming merely incapacitated, his martyrdom to a cause, and that the cause of peace, would have lifted him at once to a position higher than Lincoln's. The last phase was one of ineffable pathos, for the warrior had broken his sword upon the field of battle. Some mistakes of judgment were made during the final fight over the covenant, and so bitter was the controversy that his enemies pardoned nothing to his physical frailty. This harsh, adverse judgment will pass in the cold, clear perspective of the years. No one visits the peace temple at Geneva without paying homage to the statesman who dared

attempt to blaze a path where none had been before. The statesmen of the world who assemble about the conference tables of the League of Nations for those intimate conversations, which Elihu Root has urged so long as the best security of peace, are not unmindful of the man who made these consultations possible. And the idealism that he preached in the midst of a perfect saturnalia of materialism and hate is not forgotten by the masses in any country of the world.

His picture still hangs in the cabins of the humble in the far places. In the capital of Poland a heroic monument proclaims the lasting gratitude of a people. In Paris a boulevard bears his name, and the houses there associated with his sojourn are pointed out to tourists. No other American statesman has ever made such a genuine appeal to the Old World nations and people. No other human being in all the tide of time has ever fought so gustily to end the crime of war or made a more moving appeal to the hearts of men.

Thus by any historical measuring tape his fame is secure. But there is no mystery to his life or conduct. The ideals of his youth were the inspirations of his manhood, and on the fundamentals of government and life there have been few public characters so consistent.



# The Problem of Prohibition

---

By A. W. W. WOODCOCK

*Director of Prohibition*

---

[In the March issue of *CURRENT HISTORY* there appeared an article by James F. Forrester, research expert with the Wickersham Commission. In answer to Mr. Forrester, who summed up from his standpoint the workings of prohibition during its first ten years, A. W. W. Woodcock, Director of Prohibition, has written the following article. Before his appointment to his position in July, 1930, Mr. Woodcock was United States Attorney for the District of Maryland. During the war he served with the A. E. F., was promoted "for gallantry in action," and concluded his military service in France with the rank of Lieutenant Colonel.]

THE Wickersham Commission report is, I think, favorable to the theory of national prohibition, critical of the methods and results of enforcement of the existing law, and hopeful of improvement of these methods and results in the future.

There are at least two parts to the problem of prohibition, though one overlaps the other—is it a wise national policy, and how can it be enforced?

The first question cannot be answered until the truth is revealed regarding the effects of national prohibition upon our people spiritually and materially. A scholarly, scientific study of the effects of national prohibition ought to disclose facts much more reliable than opinions formed upon partial observation or prejudice. It is easier in 1931 to appraise national prohibition justly than it would have been in 1920. We can collect the facts of today, compare them with the

facts of 1914, for instance, cast aside those which have other causes than prohibition, and draw a conclusion in the manner which experience has shown most certainly reveals the truth. If we make a decision in any other way, we will certainly be blundering in the dark, and fatuously casting aside a wealth of discoverable data. It may or may not be wisdom to repeal the Eighteenth Amendment, but it would certainly be folly to do so until we have brought to the decision all the truth that research can reveal. I think, therefore, the President did a notable thing for the science of government when he appointed a commission to make a scientific study of prohibition.

Not to criticize Mr. Forrester's article but merely to illustrate the value of facts as distinguished from generalities and opinions, let me quote three statements from it.

Mr. Forrester says: "The estimated number of speakeasies is three times the number of saloons before prohibition, and in some large centres of population the proportion is even greater." Now, it is easily possible to find the number of saloons in any one year before prohibition by applying to the license clerks. It is possible to count the number of speakeasies there are today. Thus, in the city of Baltimore the following licenses were issued during the year 1914 for the sale of intoxicating liquor: 1,204 saloons, 31 hotels, 24 retail groceries, 55 whole-



sale dealers, 13 clubs, 9 wholesale druggists, 3 bottlers fermented. A recent survey made by one of the investigators from the Bureau of Prohibition showed sixty-one places in Baltimore where intoxicating liquor could be purchased. This investigator, however, did not include the outlying sections of the city and his figures therefore are too low.

Again, in the city of Washington, in the fiscal year ended Nov. 1, 1914, there were 455 licenses issued for barrooms and 115 licenses for wholesale liquor dealers. A survey of Washington made just before last Christmas indicates that there were 181 places where intoxicating liquor could be purchased in that city. It is fair to say, moreover, that the great majority of these places were not speak-easies in the ordinary sense of the word, but places in the colored section of the city where a taxicab driver could take a patron, leave him in the automobile and go in and secure a small quantity of liquor.

"In Virginia only," Mr. Forrester states, "has there been any State cooperation which is regarded as approaching satisfaction. This does not mean that the law is less satisfactorily enforced there, but rather that Virginia is making more of an effort to do so than is made elsewhere." Here again is a sweeping generalization, which, according to my own observation is simply not true. There are

garding cooperation of States with the Federal Government can be found.

Another statement made by Mr. Forrester is the following: "It has been impossible, also, to secure any reliable information upon which to compare the cost of drinking now with the cost in pre-prohibition years. In view of its prevalence, however, the increased price of liquor and the use of spirits in place of fermented beverages, it is the opinion of most unbiased investigators that the country's drink bill, making allowances for increase of population, is quite as large now, if not larger, than before the adoption of prohibition as a national policy." I am not sure that I know exactly what Mr. Forrester's statement means. It would be difficult to determine what the nation is spending for unlawful liquor today. There is, however, an obvious method of approach, and that is to determine the amount of unlawful liquor produced today as compared with the lawful liquor consumed before prohibition. Before prohibition whisky, beer and wine were subject to a tax, and the figures are available to show the per capita consumption of lawful whisky, beer and wine in the years before prohibition. These figures exclude illicit whisky and home-made wine, neither of which was taxed. Here is a table which gives the figures from 1905 to 1914, probably the last normal year before national prohibition:

Year	Wines		Malt Liquors		Distilled Spirits		Total Consumption of Wines and Liquors (Gallons)	Consumption Per Capita of All Wines and Liquors (Gallons)
	Consumption, Actual (Gallons)	Consumption Per Capita (Gallons)	Consumption (Gallons)	Consumption Per Capita (Gallons)	Consumption (Proof Gallons)	Consumption Per Capita (Proof Gallons)		
1905.....	35,059,717	.41	1,538,526,610	17.99	120,869,649	1.41	1,694,455,976	19.82
1906.....	46,485,223	.53	1,700,421,221	19.51	127,851,583	1.47	1,874,758,027	21.52
1907.....	57,738,848	.65	1,822,313,525	20.53	140,084,436	1.58	2,020,136,809	22.76
1908.....	52,121,646	.58	1,828,732,448	20.23	125,379,314	1.39	2,006,233,408	22.19
1909.....	61,779,549	.67	1,752,634,426	19.04	121,130,036	1.32	1,935,544,011	21.03
1910.....	60,548,078	.65	1,851,666,658	19.77	133,138,684	1.42	2,045,353,450	21.84
1911.....	63,859,232	.67	1,966,911,754	20.69	138,585,989	1.46	2,169,356,975	22.81
1912.....	56,424,711	.58	1,932,531,184	20.02	139,496,331	1.45	2,128,452,226	22.05
1913.....	55,327,461	.56	2,030,347,372	20.72	147,745,628	1.51	2,233,420,461	22.80
1914.....	52,418,430	.53	2,056,407,108	20.69	143,447,227	1.44	2,252,272,765	22.66

many other States doing as much or more than is Virginia. The facts re-

It is possible also to determine with fair accuracy the production of un-



lawful liquors in the country today. The Bureau of Prohibition has made a beginning in this inquiry. The method is to study the raw materials available for making intoxicating liquor. Thus hops are used almost exclusively in the making of beer. The production of hops plus the importation, less the exportation, less the amount used lawfully, multiplied by the number of gallons of beer that may be made from one pound of hops, is the formula roughly stated. In the same way the production of wine may be measured by studying grape production. Whisky is a more complicated study, because the sources of it are more varied.

It may be interesting to give here the results of the studies in their present form made by the Bureau of Prohibition, using the year 1914 for comparison. The consumption of legal alcoholic beverages in 1914, according to the United States Statistical Abstract, 1922, page 697, was as follows:

Wine Gallons.	Beer Gallons.	Spirits Proof Gallons.
52,418,430	2,056,407,108	143,447,227

The estimated possible production and smuggling of illegal liquor during the fiscal year ended June 30, 1930, is:

Wine Gallons.	Beer Gallons.	Spirits Proof Gallons.
118,476,200	684,476,800	73,386,718

When I became director last July (somewhat reluctantly, for I would have preferred to remain United States Attorney), the first thing I had to do was to train the force of agents in the technique of crime detection, in the knowledge of the law of evidence, in conduct and morale. There were then about 1,400 agents, 150 investigators and 150 special agents. As United States Attorney I had seen agents appearing as witnesses who had no power of observation, or if they had any such power had failed to use it, who did not know how to follow up obvious clues, who had no professional pride in their work, who

—in Baltimore, for example—thought that everybody was against them and despaired of trying to obtain general popular respect. These conditions, however, have been improving during the last two years.

I remember seeing a strange face among the agents just before a primary election of 1926 and at the same time hearing some strange rumors about the face. I called this agent into my office, preferring to learn the truth myself rather than to have it brought out by a defendant's attorney upon the witness stand. I said to him: "I want you to tell me frankly if you have ever been convicted of a crime." The agent said: "Well, no, sir, that is, only of keeping a disorderly house."

The most desperate case I was ever called to defend was a young ex-service man, who had been appointed an agent, given a pistol and sent out without any instructions as to how to enforce the law. Within a few weeks he had shot dead an unarmed offender, whom he had arrested and who had started to run away. There were some technical defenses such as the right of an officer to shoot any one fleeing, who had committed a felony. The jury acquitted him, however, I surmise because they believed, as I did, that the real responsibility was upon those who had failed to give him any instructions or training.

I knew of agents spending a day or so answering a neighborhood complaint that some one was making home brew beer in his kitchen, and finally through one device or another succeeding in arresting the wife who had made a couple of dozen bottles of beer. She was breaking the law, of course, but with the extension of commercial violations it seemed misdirected energy or work for a lazy agent.

Our first thought was therefore how to train our agents. Harking back to the schools of the A. E. F., we selected twenty-four of the best men we could find in the service.



These men were brought to Washington and given a most intensive training to make them teachers of others. On Oct. 1 two of them were sent into each of the twelve administrative districts of the country to hold schools for the agents. The plan was to take the agents in relays so that the routine work of enforcing the law would not be entirely interrupted. These schools have been conducted on a rigid schedule with which nothing is allowed to interfere. The agents are trained in the technique of investigation and, just as important, to develop pride in themselves and in the bureau.

It is repeatedly said by the careless that most prohibition agents are venal. It is believed by some that the salary is so small and temptation so great that most agents must become corrupt. It is certainly true that temptation is great, but it can be overcome by building up in the bureau a spirit of duty and loyalty.

Moreover, to assure the men that their leaders are fair in the matter of promotions in salary and grade, we have installed a system of efficiency ratings, modeled upon that used for regular army officers, and made once each six months. Promotions depend upon the efficiency rating, the years of service up to three, the work in the schools, and upon any outstanding achievement. The idea is to make merit the basis for all promotions, and to eliminate entirely all politics in the bureau. A young man may enter the service at \$2,300 and advance in the grade of an agent to \$2,900. Then he may become an investigator with a salary ranging from \$2,900 to \$3,800, a deputy administrator from \$3,800 to \$5,000, an administrator from \$4,500 to \$7,000. These salaries are not big, it is true, but we are offering a lifetime position under civil service protection, with promotion based solely upon merit. The building up of the morale of the bureau is part of my task that I have enjoyed. The morale is good today and I believe it is steadily improving.

The ultimate success of national prohibition will probably turn upon how much the States will do voluntarily and how much our force may persuade State officials to do. But with a Federal force well trained and loyal, and with the States cooperating, what can we reasonably hope to accomplish? The answer to that, I think, must be found in the limitation of the law itself. Section 25 of the national prohibition act provides: "No search warrant shall issue to search any private dwelling occupied as such unless it is being used for the unlawful sale of intoxicating liquor, or unless it is in part used for some business purpose such as a store, shop, saloon, restaurant, hotel, or boarding house." A private violator of the law in his home thus has protection from searches in the law itself. Of course, there are occasions when evidence of purely private violations in the home may be obtained, but if the householder is careful to conceal his violation the law officers cannot enter.

The Eighteenth Amendment is a prohibition against the sale, transportation, importation and exportation of intoxicating liquor for beverage purpose. The Fourth and Sixth Amendments to the Constitution protect citizens against unreasonable searches of their persons and effects. Possession of intoxicating liquor is unlawful under the national prohibition act, though it is not mentioned in the Eighteenth Amendment, but a purely private possession is extremely difficult to reach through the officers of the law.

Much of the fundamental error in prohibition discussion is that too much has been expected of the law itself. Criminal laws are not generally effective against any offense which can be committed privately. Gambling laws are not effective against games of chance in the privacy of the home. Speed laws are not effective in the open country where there are no policemen or spectators. There is, there-



fore, nothing unusual in the fact that the national prohibition act is not stopping purely private violations. It ought to be effective against the traffic in intoxicating liquor which cannot be conducted in private, but we are not reasoning correctly if we assume that the law, through its officers, can reach private violations directly. Of course, in so far as the law is effective against the traffic in intoxicating liquor, it indirectly affects the private violator. But the real remedy for the private violator is education in the duty to obey the law, and, perhaps much more effectively, in the evils to himself of drinking.

The public can expect the Bureau of Prohibition to be reasonably effective against the sale, the commercial transportation and manufacture of intoxicating liquor. This does not mean absolute prohibition, because no law can achieve that, but the national prohibition act ought to be effective against this traffic to the same degree as other laws are effective.

I fully appreciate the enormous profits in the manufacture of illicit liquor. Alcohol can be made for 50 cents a gallon and sold to the public at almost any price. On the other hand, a trade which is entirely lawless disintegrates because it is without the law. One group has no protection against any other group—to collect debts, to safeguard property or lives. It is a trade founded on greed, honeycombed with treachery and eternal quarrels. A body of well-trained men, with the power of the United States to sustain them, must succeed against such a traffic. Therefore, I have no hesitancy in saying that the national prohibition act ought to be as effective against the traffic in intoxicating liquor as are other laws in their respective spheres.

Education in its broadest sense brought forth the first feeble flicker of temperance reform, and eventually the Eighteenth Amendment. Forty-seven States have laws requiring the teaching of the harmful effects of

alcohol in the public schools, which shows most convincingly how sincerely temperance leaders believed in education. In all the diversity of view regarding prohibition public opinion is today unanimously against the saloon, a fact as remarkable as the culmination of the hopes of those early pioneers in the adoption of the Eighteenth Amendment itself.

I said "hopes of those early pioneers." I might have said "prayers." It is a mistake to think that the early prohibition appeals were entirely economic. There was a rare depth of spirituality in the prohibition movement, and it is a matter of faith among millions today. In that fact lies the real strength of the prohibition forces. The power of the spirit, no matter by what name it is called, energizes as cold logic never does.

It would seem that there have been two ideas, often confused but frequently distinct—hostility to the saloon and hostility to the use of liquor. The law as it stands is effective against the saloon, against which public opinion is almost unanimous. It is not entirely effective, because of its restrictions upon search, directly against the use of liquor, about which public opinion is by no means unanimous.

Here is the great opportunity of temperance education, to persuade the people not to violate the law—I should have said more accurately, not to use intoxicating liquor. As the forces of temperance education are more effective, the demand is decreased and the forces of the law are helped. The law and temperance education are thus both necessary to enforce prohibition. Each helps the other and neither can be effective without the other.

This is the problem of enforcing the law as I see it. I hope the friends of temperance education may realize their opportunity, just as we in the Bureau of Prohibition realize the necessity, for this help.



# The "Right of Revolution" In Latin America

---

By J. FRED RIPPY

*Professor of History, Duke University*

---

[Secretary of State Stimson, in an important address in New York on Feb. 6, 1931 (the full text of which was printed in *CURRENT HISTORY*, March, 1931, pages 917-924), restated the policy of the United States Government with regard to the Latin-American republics. Certain competent students of the subject in this country do not accept the policy of the State Department without serious reservations. Among those qualified to write from such a standpoint is Professor Rippy of Duke University, whose article is printed below in accordance with the policy of this magazine of presenting diverse views on important questions.]

REVOLTS in Latin America are of no small concern to the United States. They affect investments worth \$5,000,000,000, trade to the amount of \$2,000,000,000 annually and the security of thousands of our nationals who reside more or less permanently in these countries. In some cases they also involve or are alleged to involve, the Monroe Doctrine and the domination of the Canal Zone by the United States. The task of dealing with these revolutions is one of the most difficult problems confronting our State Department.

Secretary Stimson's recent address reveals enthusiasm for the policy he is pursuing and a commendable disposition to explain his action to his constituency. But he avoids the issue of the "right of revolution," fails to include the Caribbean island republics in his discussion, and presents a doubtful justification for the tutorial

rôle of the United States in Central America. With reference to the last subject, he says that order in the region is essential to our national security and that "we have acted at their earnest desire and in cooperation with them." The words quoted are misleading. The pronoun "them" can refer only to the Executives of these countries in 1923. It cannot refer to the people of the "five republics," for there has never been a plebiscite on the question. The Central American "Presidents" of 1923 would naturally favor a policy which tended to keep them and their friends in power!

For some time it has been the policy of the State Department to discourage revolts in Latin America. The most effective weapon in the hands of the Secretary of State is that of granting or withholding recognition. A threat of non-recognition may be used to discourage a revolution against a so-called "legal" government and even to incite a new revolution against a recently established "illegal" government.

Most of the Latin-American countries do not manufacture sufficient war materials to meet their needs and are dependent upon the American market for their supply. This is particularly true of revolutionaries, who naturally confront handicaps in securing these materials. The President of the United States now has the



power to prevent private citizens and companies from selling arms and supplies to insurgents while permitting their sale to the government which these insurgents are attempting to drive from power. He may also sell the established government arms and munitions from our national arsenals. He may even allow citizens of the United States to sell war materials to a favored revolutionary chief while interfering with the supply of a dictator who has recently seized the government by force of arms. This President Wilson did in the case of Carranza (the revolutionary chief) and Huerta (the new military dictator) of Mexico.

What does a historical examination reveal as to the principles upon which our recognition policy has been based and the wisdom or expediency of the recent procedure of the State Department? Thomas Jefferson set a precedent for the United States and, indeed, for the rest of the world, by the position which he took with reference to the French Revolution. "It accords with our principles," he said, "to acknowledge any government to be rightful which is formed by the will of the nation substantially declared. \* \* \* The will of the nation is the only thing essential to be regarded."

Jefferson's principles were entirely consistent with the whole basis of the genesis of our nation. The "right of revolution" and the "sovereignty of the people" were matters much discussed before the outbreak of our war for independence and there was general agreement among revolutionary leaders on these two principles. Their classic expression may be found in the Declaration of Independence which Jefferson wrote:

We hold these truths to be self evident, that all men are created equal; that they are endowed by their creator with certain unalienable rights; that among these are life, liberty and the pursuit of happiness. That to secure these rights governments are instituted among men, deriving their just powers from the consent of the governed; that

whenever any form of government becomes destructive of these ends, it is the right of the people to alter or to abolish it and to institute a new government, laying its foundation on such principles and organizing its powers in such form as to them shall seem most likely to effect their safety and happiness. Prudence, indeed, will dictate that governments long established should not be changed for light and transient causes. \* \* \* But when a long train of abuses and usurpations, pursuing invariably the same object, evinces a design to reduce them under absolute despotism, it is their right, it is their duty, to throw off such government and to provide new guards for their future security.

As Jefferson clearly saw, no nation which owed its existence to a successful revolution and whose government was based upon the expression of the sovereign will of the people could consistently deny to another people of approximately equal advancement the "right of revolution" and the exercise of sovereignty in the establishment of its government. The very security of the United States at the time depended upon the acceptance and defense of these principles.

Jefferson's doctrine of recognition has been generally accepted and known as *de facto* recognition. This doctrine, however, was susceptible of interpretation, for it left undefined the problem of the criterion for ascertaining the will of the people of the nation to which the policy was to be applied. Three other ardent friends of popular rule subjected the doctrine to a realistic interpretation based upon the principle of strict non-intervention in the domestic affairs of other nations. Van Buren took the stand that "so far as we are concerned, the government *de facto* is equally so *de jure*." Similarly, Livingston, who, like Van Buren, was Secretary of State under President Jackson, contended that the *de facto* government was also the legal government so far as the United States was concerned, since such government *de facto*, "by its establishment in the actual exercise of political power, may be supposed to



have received the expressed or implied assent of the people." Finally, Buchanan, while Secretary of State under Polk, summarized this realistic view as follows: "In its intercourse with foreign nations the government of the United States has, from its origin, always recognized *de facto* governments. \* \* \* We do not go behind the existing government to involve ourselves in the question of legitimacy." In the mind of these three men the only question involved in the matter of recognition was to determine whether the government to be recognized actually had control of the governmental machine.

Secretary Seward reacted against this policy. He emphasized the importance of delay in order to ascertain the facts and maintained that recognition should only be accorded after the nation concerned had solemnly and legally approved the new government. He admitted that his policy was designed to "discourage" the spirit of revolution "so far as it can be done by standing entirely aloof from such domestic controversies until in each case the State immediately concerned shall unmistakably prove that the government which claims to represent it is fully accepted and peacefully maintained by the people thereof." He also declared in the case of Peru in 1868: "The policy of the United States is settled upon the principle that revolutions in republican States ought not to be accepted until the people have adopted them by organic law, with the solemnities which would seem sufficient to guarantee their stability and permanency." "This is the result," he said, "of reflection upon national trials of our own."

In 1907 the United States and Mexico, through the process of "mediation" persuaded the five republics of Central America to carry the Seward doctrine a step further. In that year treaties were signed by Nicaragua, Honduras, Guatemala, El Salvador and Costa Rica, with this provision:

The governments of the high contracting parties shall not recognize any government which may come into power in any of the five republics as a consequence of a *coup d'état*, or of a revolution against the recognized government, so long as the freely elected representatives of the people thereof have not constitutionally reorganized the country.

This step was taken in support of domestic order, Central American peace and the security of the region against a European intervention which might threaten the control of the United States over the Canal Zone. Revolutions were not only disturbing the domestic peace of each of the five republics but they were also causing wars between them and tending to provoke the intervention of the European powers whose nationals resided in Central America or had investments in the region. The treaties also set up an international court of justice, which was later destroyed largely as the result of the policy of Taft and Wilson in securing the Nicaragua canal and refusing to arbitrate the question of the rights of the other States.

President Wilson applied the Seward policy to Huerta of Mexico and Tinoco of Costa Rica, but not to Leguía of Peru, all three of whom seized power by armed force. With reference to Mexico, moreover, Wilson went even beyond the Seward principle, sending a special agent to that country in order to cooperate in the creation of a new government.

During the Coolidge Administration, under the "mediation" of Secretary Hughes, the five Central American States signed an agreement in 1923 which bound them not only not to recognize governments set up by armed force, but also not to grant recognition if the person elected as President or Vice President were a chief of the revolution, a secretary or relative of this chief, or a military commander during the revolution or *coup d'état*. Presumably these treaties sprang from the same motives as those which inspired the treaties of 1907.



Although not a signatory power, the United States has acted as if bound by these agreements. The policy of non-recognition of revolutionary governments is being applied by the State Department to Mexico, the five republics of Central America—but not to Panama—and the three republics of the Caribbean. It is not being applied to South America, although the United States showed a decided preference for the recently overthrown Washington Luis Government of Brazil. Secretary Stimson says he was pledged by a treaty to act as he did in the Brazilian crisis. The American public did not know the treaty of Feb. 20, 1928, had been ratified; and such a treaty is further evidence of the denial of the "right of revolution."

The justification of this policy of the State Department rests upon four arguments: It tends to render the canal zones secure against the powers of Europe and Asia; it tends to preserve peace in the republics of the Caribbean; it protects the lives and property of United States citizens in these countries; and it promotes the progress of the region.

The first of these arguments may be accepted with the comment that the canal zones are hardly in danger of being dominated by non-American powers. The second may also be granted; but one might ask whether peace is so dear that it must be purchased at the price of independence and perhaps even of liberty. The third can possibly be accepted without reservation, although such a policy not only protects but tends to engage the government in the business of *promoting* the economic interests of citizens of the United States in the Caribbean. The fourth justification may also be admitted if the privilege is reserved of doubting whether progress, mainly material, is worth such a price and of asking whether the progress of the whole nation is promoted by such intervention, or merely the progress of the group which the United States maintains in power.

Our policy toward revolutions in the Caribbean is apparently based upon these three assumptions: that revolutions are not necessary there; that orderly, democratic self-government after the manner of England and the United States is possible in the region; and that the United States has the right and duty to maintain order in the Caribbean area. The truth is that some of these revolutions are protests against manifest injustice, oppression and exploitation and, hence, wholly justifiable; and that reasonably fair and intelligent elections seldom occur in these republics. Secretary Stimson, it is true, points out that "significant improvement has taken place in electoral practice" in Central America, but if this is so, it is a case of facts contradicting the logic of the situation.

Reforms or a new régime must be effected by one of two methods: elections or revolutions. Since fair elections are impossible, it would appear that revolution is the only recourse. Therefore, to deny the right of revolution is not sufficient. Such a policy tends to create and maintain in power a succession of dictators who by oppressing the people cause the very disorders which the State Department is trying to prevent. If we deny the leaders of the people the use of bullets, then we ought to insure them the effective use of the ballot.

In Nicaragua and on one occasion in Panama the United States has consciously or unconsciously admitted this contention by the supervision of elections. The first step, then, is the refusal to recognize revolutionary governments. The next step is to impose free and peaceable elections. But can we stop even here? Suppose the government chosen by supervised elections should be unable to cope with the opposition, would we not be compelled to send the marines to see that nobody demands a recount? Must we not also see that the new government carries on an orderly administration



and devotes itself to social justice and the public welfare?

The State Department is guilty of violating the principles which form the basis of our political system unless we concede, first, that such principles are not applicable to "backward" peoples and, second, that the inhabitants of the Caribbean belong to this class. Many contend that the right of revolution and of popular sovereignty should not be conceded to backward peoples. In recognition of this limitation the League of Nations has established a sort of tutorial system known as mandates. But even if this limitation were admitted, the United States, acting alone, would not be justified in its policy of repressing revolutions in Mexico and the Caribbean area. No nation has the right to become the self-appointed and irresponsible guardian of another nation, no matter how backward. The League of Nations has its guardians for certain undeveloped peoples, but these must submit their procedure with reference to their wards to an international commission of the League. With reference to its Caribbean policy, however, the State Department makes no report and acknowledges no accountability to any

international commission or authority. It proceeds with considerable secrecy, resents criticism, and does not welcome demands on the part of the sovereign people of the United States for information regarding the manner in which it is executing its self-appointed mission.

It would appear that the present policy of the United States is neither wise nor just. It exposes the United States to the charge—difficult to refute—of using its great strength to advance the interests of its own capitalists and of preferring profits and world power to human liberty. It is not just to the people of the Caribbean to fasten a succession of dictators upon them by denying them the right of revolution. It would be better for these people if the State Department took the additional step of guaranteeing free elections, but this would involve the United States in further intervention in their domestic affairs. It would seem wiser either to return to the old policy of *de facto* recognition and strict non-intervention or to accept the cooperation of other nations in developing the political life of the region.



# Defects in American Banking

By RAY B. WESTERFIELD

*Professor of Political Economy, Yale University*

IT is no mean reflection on the boasted genius of the American business man that after a century and a half of commercial bank experience the decade since 1920 should be the worst in our history as regards bank failures. Our business leaders cannot excuse it on the ground that the banking fraternity differs from the business fraternity, for it is well known that most bank directors and many of the higher bank officers enjoy their positions on account of their business connections and their proved success in other business fields. Surely America has small claim to genius in banking; rather must she bow her head in shame.

In the decade ending Dec. 31, 1930, there failed in the United States 6,966 banks with liabilities of approximately \$2,000,000,000. More banks failed in 1930 than in any previous year, the total being 1,326, against 643 in 1929, 487 in 1928, 662 in 1927, 957 in 1926, 611 in 1925, 778 in 1924, 647 in 1923, 356 in 1922 and 500 in 1921. Of the number of banks existing at the end of December, 1920, there had suspended by the end of 1930 in Florida 87.8 per cent, in South Dakota 62.6 per cent, in North Dakota 53.7 per cent, in Montana 50.6 per cent, in New Mexico 51.2 per cent, in South Carolina 55 per cent, in Georgia 47.6 per cent, in Arkansas 49.4 per cent.

Doubtless the banking industry of the country, taking the last thirty years as a whole, has operated at a loss. Depositors and other bank creditors recovered but a small part of

their claims; stockholders failed to receive a warrantably expected dividend of at least 5 per cent on their investment, paid assessments to keep failing banks going, lost their investment in banks that failed and paid the receiver an additional sum equal to the par value of their stock.

The leading causes of the bank failures since 1920 may be considered under six heads:

*I. Multiplicity of banks.* There are too many banks in the United States. The areas of greatest density of banks per capita coincide with the areas where failures are proportionately highest. In 1920 there were on an average .283 banks per 1,000 people in the United States. The ranking States were as follows: North Dakota, 1.381; South Dakota, 1.086; Nebraska, .919; Wyoming, .816; Montana, .773; Kansas, .760; Iowa, .730; Minnesota, .630; Idaho, .508; Missouri, .484; Oklahoma, .468, and Colorado, .426.

The multiplicity of our banks is explained by the character of our economic and social development. Because of the vast expanse of our rich public domain and our public land policy, our people settled the country sparsely and their whole life lay in the local community; the economic and social isolation of the frontier inculcated in the people the doctrine of individualism and competition. Every village wanted not one bank only but two or more which would compete in service to the community. The response to this demand was facilitated by the ease of starting a bank.



Charters could be obtained freely under the general corporation or bank law; the State pushed the establishment of State banks and the Federal Government the national banks. The capitalization required was low and it was possible for the subscriber to borrow most of it, if necessary, on the security of the subscribed shares themselves. It was not thought that a banker needed much intelligence, training or experience. Thus banks multiplied to 29,994 in 1920, or one bank for every 3,500 persons in the United States as a whole.

Dividing the country's capital among too many banks reduces the average capital per bank to a figure that inadequately protects creditors. Starting banks speculatively on too thin capital, often mostly borrowed, sacrifices the conservatism and stability necessary to sound credit. The total deposits of the community are divided among so many banks that it becomes quite impossible for all of them to earn a livelihood. Competition is so keen that it forces the banks to pay too high rates for deposits and to supply expensive free services. Out of a spirit of megalomania or ostentation rivalry in bank buildings develops, loading the bank with high overhead and sinking undue proportions of its assets in a fixed form earning little revenue. Every bank must be fully staffed, but the low earnings and small scale and easy entrance into the business usually mean that the official staff is mediocre in capacity. In order to make ends meet the bank is forced to ask high discount rates, and regions like Dakota or Oklahoma, despite their unwarrantable number of competing banks, pay crippling rates of 8 or 10 per cent universally. The small bank places disproportionate amounts of its assets in local loans, mortgages and securities, first, because it can obtain higher rates on them than on paper and securities from the metropolitan market; second, because bor-

rowers place their accounts at the most accommodating bank, and, third, because it feels a heavy social pressure to serve the local community. The portfolios of loans and investments thus lack diversification as to area, industry and type, and the fortune of the bank hinges on the one crop or industry of its area. In the newer, rapidly growing sections the banker speculates not only with his own private money but with that of his bank. Thus he lends funds on real estate projects of a highly speculative character or on oil, coal or other schemes for opening up the resources and developing the area. This urge is fanned and supported by local business men and visionary promoters (who generally need funds) until the banker feels a sense of duty exceeding the obligation felt toward depositors. Finally, banker and applicant are too intimate and loans consequently are granted on a basis of sentiment rather than of cold-blooded credit analyses.

*II. Agricultural depression.* Many of the bank failures have been attributed to the intense persistent depression in agriculture. This is an explanation and not an excuse. The bankers cannot escape responsibility on the simple grounds of "economic conditions," for the ably managed banks in the worst agricultural areas have not failed. The precipitate decline of agricultural prices from 169.8 in May, 1920, to 83.1 in May, 1921, wiped out equities on farm land, products and live stock; the liquidable value usually did not suffice to repay the outstanding loans, and a bank attempting to collect its loans would have stripped its community of animals, seed, implements and products (the necessities of farm life) and committed suicide. The slow liquidation of these frozen loans since 1921 has entailed the gradual ruin of many a bank, farmer and community. The second precipitate drop in farm prices, that of 1929-30, is proving still more disastrous. Nine years of depression



have worked havoc with savings, farm equipment and animals and the maintenance of buildings and soil fertility. Land is worth less than in 1913. The prospect is toward a further decline in prices, with continued depression in agriculture and bank failures in famine areas.

*III. Character of bankers and bank management.* Our bankers are, as already stated, largely small-town bankers and small-bank bankers. They resist cooperation with other banks, centralization in branches or group control, modernization of methods, the collection and filing of adequate credit data on borrowers, the application of scientific procedure in credit analyses and the installation of cost accounting and account analysis. They fill their directorates with business men who do not know banking. The indifference and incapacity of directors relegates the administration of the bank to the officers and tempts and allows them to use the funds for their own private operations. A forceful director or officer or one with influence through stock ownership may procure excessive loans. The rapid pace of American development, the great opportunities for profit to those who have capital, the American propensity to venture and speculate, and the looseness of our courts tend likewise to encourage embezzlement and conversion of funds by bank officers. The close intimacy of banker and borrowing townsman is apt to result in granting loans on sentimentalities rather than prospective ability and willingness to repay on due date. The absence of strict ethical codes among the bankers in dealing with one another has spelled ruin in many a town; even in clearing house associations that have adopted excellent rules of competition, a newcomer or outlaw or failing bank may work havoc with morals.

The Comptroller of the Currency in his annual reports states the chief cause of each respective national bank failure during the year under one of

four heads: (A) Incompetent management, (B) dishonesty, (C) local financial depression from unforeseen agricultural or industrial disaster, (D) receiver appointed to levy and collect stock assessment covering deficiency in value of assets sold. The number of times each cause appears in the period 1865-1929 is as follows:

Alone and in Combination.	Combinations.
A. 217	A. and B. 33
B. 61	A. and C. 61
C. 321	B. and C. 9
D. 23	

Suspensions from "local financial depressions" are an indication of incompetent management, for a well-managed bank will plan for the possibility and probability of such "unforeseen disasters" by building up a goodly surplus, diversifying loans and investments and keeping ample secondary reserves. The slow death of a community is not an "unforeseen" disaster. Competent bankers have ample warning to reduce local loans and investments and to place their funds elsewhere and even shut up shop before losses accrue. In half the failures into which dishonesty entered, the management was also found incompetent; indeed, incompetence is a father of dishonesty. The fact that 10 per cent of the failures are due to crookedness does not speak well for the banking fraternity.

John W. Pole, the Comptroller of the Currency, addressing the Ohio Bankers' Association two years ago, pressed the point that modern banking is so highly complicated and technical a business that the crying need of the hour is professional bank management and that unless the independent bankers took to training and rose to meet that need, it would inevitably be met by a branch-bank system supplanting them.

*IV. Decentralized system.* We have a dual system of national banks and State banks. There are forty-nine jurisdictions, forty-nine sets of banks operating under different laws. The State Legislatures have competed with



Congress in granting privileges to the banks. Congress must legislate uniformly for the whole country, whereas the State Legislatures provide for special conditions. Since national banks must compete with State banks, a permission granted to a State bank, for example, the right to have branches or to handle fiduciary business, causes pressure on Congress to "equalize conditions of competition." The McFadden act of 1927 was quite largely devoted to such equalization; it is indeed very doubtful if all its provisions make for safety, for instance, the extension of the right to lend on real estate. Nevertheless, they were thought necessary by Congress and the national banks to stop defections from the national system and to preserve the system. State banking laws are apt to be made with a view to promoting agriculture, real estate or public utilities. Another of the great evils of State legislation is the leniency it permits in supervision by the State Banking Department.

In 1913 there were 25,993 banks in the United States—independent unit banks, with no affiliation except voluntary relations in the clearing house and bankers' association and with correspondents as depositors or borrowers or both. This system was in striking contrast to the branch bank and central bank systems of other countries; it was inchoate, used its reserves ineffectively, lacked responsibility as among the banks and toward the public and failed to function in times of panic. After a thirty-year campaign of bank reform the Federal Reserve System was instituted in 1914 to centralize authority, to pool reserves and to create central banks with a sense of public responsibility and with the means of aiding solvent but needy banks.

In several respects the Federal Reserve System has failed to accomplish all that its most sanguine promoters expected. The national banks were forced, and the State banks permitted, to become members, but, at the high

point of membership, only 1,648 State banks belonged to the system and contributed their share to its upkeep. In the major crises of 1920 and 1929 and the lesser emergencies of intervening years the Federal Reserve System was unable to aid non-member banks or exercise any influence on their credit operations and policies, and therefore it should not be loaded with direct responsibility for their failure. Of the 5,646 banks that suspended from 1921 to 1929, 994, or 17.6 per cent, were members and 4,653, or 82.4 per cent, were non-members; whereas of the total number of banks, 30,078, existing on June 30, 1920, only 9,399, or 31.9 per cent, were members. The lower mortality of member banks arises from two facts: In 1920 national banks, which have a lower failure rate than State banks, constituted 85.4 per cent of the membership; the State bank members embrace a disproportionate number of large city banks whose failure rate is lower than that of small rural banks.

If membership and failure rates for the decade 1921-29 in the different Federal Reserve districts are correlated, some striking facts appear. For instance, in the Kansas City district only 5.1 per cent of the eligible State banks, with 18.2 per cent of the resources, were members of the Federal Reserve, but it suffered 1,019 out of 5,646 suspensions, or 18.5 per cent; and whereas of the number of members in 1920 the failures constituted almost identic percentages (11.4 per cent and 11.1 per cent) for national and State member banks, the percentage of non-member banks failing reached 29.4 per cent of the total.

The influence of the Federal Reserve is, of course, not restricted to its members; the member banks in reserve cities act as correspondents of non-member country banks and they tend to impose on these customers loan and discount terms somewhat consonant with the terms imposed by



the Federal Reserve on themselves; and, furthermore, the pronouncements of the Federal Reserve Board and Federal Reserve banks from time to time on credit conditions are observed by non-members oftentimes almost as closely as by members; but the influence exerted in these ways is not to be relied upon nor subject to control.

In extending help by discounts and advances the Federal Reserve Bank is passive, application being made by the member for aid. By hoary tradition or by persuasion or duress or on account of favors or services rendered by the correspondent which the Federal Reserve Bank is through law or expediency estopped from conferring, country banks have preferred to borrow or rediscount at their reserve city correspondent rather than at their Federal Reserve Bank. Moreover, member banks frequently have strong prejudices against borrowing from any bank, and many more are able only in very limited degree to discount at the Federal Reserve Bank on account of the ineligibility of the paper they have to offer or because of the bad credit risk the banks themselves are.

Few would hold that the Federal Reserve Bank should willfully lose money by taking poor paper from a poor member. The bank should keep strictly to the Federal Reserve law and regulations; loans which in its judgment from credit analysis alone it ought not to make should be few and sparing and only to save a solvent bank caught by an "act of God" and not by weak or crooked management.

There is a tendency, especially in an agricultural region, for a member bank to load its portfolio with paper and securities that are not very liquid nor eligible and so put itself outside the pale of possible help from the Federal Reserve. It would be contrary to the principles of central banking, even if the Federal Reserve act were to permit it, for the Federal Reserve Bank to reduce itself to impotence by tying up its funds in frozen assets

merely to save banks that are poorly managed or have slight economic warrant for existence. The founders of the Federal Reserve wisely demanded that its assets be cash and highly liquid paper and securities, and that assistance to needy banks be extended only to members and in proportion to the amount of such paper that they have. If during ordinary times a member bank has discounted all its eligible paper and possibly also borrowed from correspondents to the hilt, it becomes suicidal when the business cycle turns and the bank is asked to borrow less and to put up more margin and to lend more on narrower margins. This was the situation in 1920 and 1929 when prices fell and annihilated margins and equities.

#### *V. Government supervision and political interference with banking.*

In the light of bank failures it is ironical that banking is put into a far tighter strait-jacket in the United States than anywhere else. In Great Britain and on the Continent banks are left legally free to follow custom and expediency in the conduct of their business. Panics and business depressions in the United States, when banks fail heavily, have been followed by veritable deluges of bank laws that have locked the door after the horse is stolen. The depression of 1893-96 brought forth the Populist plan of guarantee of bank deposits, but returning prosperity delayed its enactment until after the panic of 1907 when Oklahoma and many other States tried the scheme; but the general effect of deposit guarantee laws has been to promote bank failures. The panic of 1907 also precipitated the reform of the national bank system, while the Federal Reserve was founded in the midst of another depression, that of 1913-14. The depression of 1921-23 brought forth the Federal intermediate credit system, the "Edge Corporation" scheme, much tinkering with the Federal Reserve System, and much State legislation.

Under American conditions legal re-



striction and governmental supervision of banking are probably necessary and have brought a large net gain to our people, but not without heavy costs. When the government undertakes any kind of supervision the people expect it to be in the public interest and honestly and efficiently carried out, but by too easy reasoning they come to believe the expectation has become an actuality. They assume, for instance, that a bank called "national," "member of the Federal Reserve" and "supervised by the United States Government" must be safe, whereas these features are relatively unimportant. Worse still, the directors, through laziness, indifference, ignorance or incapacity fail in their bounden duty to examine the records of the bank and the conduct of the officers.

The best bank examiners may be outwitted by sharper bank officers. Moreover, bank examiners are universally underpaid; the better men are drawn into more lucrative bank jobs; the turnover is high; the examiners are either too young to command respect from the bank officers or they are former bankers who are too old or antiquated or failures. New York State recently sent a crooked bank superintendent to the penitentiary, and this is not the first time such a thing has been done or should have been done. Unfortunately also, State Banking Departments are subject to political manipulation.

These facts suffice to show that when the depositors, the shareholders and the directors place confidence in the examiners and fail to examine the bank themselves, they court disaster for the bank and the community. Bank supervision is an aid to and not a substitute for personal responsibility in choosing a bank or managing it. To supplement the national and State examinations many of the clearing houses of the country have established departments which examine the members of the clearing house and seek to catch and correct in their iniciency not only illegalities but also

bad practices or unsound credits. These severe and searching examinations are one reason for the relatively small number of banks failing in big cities.

The Federal Reserve System has also contributed to bank failures by mistaken policies adopted for political expediency. The burden of the Joint Agricultural Commission inquiry of 1922 was to determine the responsibility of the Federal Reserve for the panic and depression that followed the boom of 1919-20, and the two Congressional inquiries now under way have as a major objective to determine the influence of the Federal Reserve on the bull movement of the stock market, 1926-29, with the October crash and the depression now current.

*VI. Centralization through consolidation and affiliates.* In line with trends in railroads, public utilities, merchandising and manufacturing industry, a pronounced tendency to centralization in financial institutions is in progress. In the decade 1920-29 there were almost exactly 4,000 bank mergers in the United States, with some colossal institutions resulting in our large cities. In many cases a merger resulted from the appeal of a bank rapidly approaching insolvency to be taken over by a stronger bank so as to save the depositors and stockholders from loss. Other reasons for mergers were the reduction of operating costs, the spirit of megalomania, the angling for strategic positions, the increasing size of the bank's borrowing customer and pressure from the Comptroller of the Currency and State Banking Departments in towns that had too many banks.

A common method of centralization is the branch system, but prohibitive legislation in most States and by Congress has limited this development. Two devices, however, have been used to circumvent these restrictions, namely, the chain and the group. A regular mania for the "bancorporation" with its "group" of subsidiary

banks occurred in 1929 and 1930, operating on a nation-wide, trade-area-wide or State-wide basis. Furthermore, since the National City Bank of New York led the way with its National City Company, other leading banks and trust companies have established security affiliates to handle investment operations, many of which the banks felt were unfit for them to undertake directly. In more recent years affiliates of other types have been developed and closely tied under the aegis of the bank, such as investment trusts, financing companies, foreign and international banking houses, land banks, speculative pools, holding companies and realty companies. The Bank of United States which recently failed in New York had sixty such affiliates, with most involved connections.

These phases of the centralization movement are not all-inclusive but they suggest the picture. In most respects it means a movement toward safety, service and competent conduct of finance and is highly desirable; but unfortunately it has had other consequences. It attained too fast a pace and its promoters often lost their heads and, worse, their consciences, as is evident from the wreck of the Bank of United States in New York, the National Bank of Kentucky in Louisville, the Bankers Trust Company in Philadelphia and other big institutions. The bank is loaded with affiliates, its assets purloined to benefit a subsidiary, its officers and directors biased in their judgments by adverse interests in affiliates, and its credit wrecked by publicity of sharp deals or by known support of weak securities in which the group is interested, and the commercial bank is involved too heavily in investment banking. Because many of these affiliates are not banks, they are exempt from supervision by the Comptroller of the Currency or State Banking Depart-

ment and therefore are a handy means of doing things alien to good banking.

TABLE NO. 1—NUMBER OF BANK FAILURES, BY YEAR, JUNE 30, 1904-29.

	State and Private Banks.	National Banks.	Total.
1897.....	122	38	...
1898.....	53	7	...
1899.....	26	12	...
1900.....	32	6	...
1901.....	56	11	...
1902.....	43	2	...
1903.....	26	12	...
1904.....	102	20	122
1905.....	57	22	79
1906.....	37	8	45
1907.....	34	7	41
1908.....	132	24	156
1909.....	60	9	69
1910.....	28	6	34
1911.....	56	3	59
1912.....	55	8	63
1913.....	40	6	46
1914.....	96	21	117
1915.....	110	14	124
1916.....	41	13	54
1917.....	35	7	42
1918.....	25	2	27
1919.....	42	1	43
1920.....	44	5	49
1921.....	330	28	358
1922.....	364	33	397
1923.....	237	37	274
1924.....	777	138	915
1925.....	440	102	542
1926.....	496	77	573
1927.....	689	142	831
1928.....	413	71	484
1929.....	482	69	551

TABLE NO. 2—BANK SUSPENSIONS, 1921-28.

By Size of Capital Stock.		
Capital.	Number of Sus- pensions.	Per Cent of Total Sus- pensions.
\$25,000 and less .....	3,161	63.0
\$25,000 to \$50,000 .....	418	8.3
\$50,000 to \$100,000 .....	865	17.3
\$100,000 to \$200,000 .....	347	6.9
\$200,000 to \$600,000 .....	115	2.3
More than \$600,000 .....	5	0.1
Not available .....	103	2.1
Total .....	5,014	100.0
By Size of Domiciling Town or City.		
Population.	Number of Sus- pensions.	Per Cent of Total Sus- pensions.
Less than 500 .....	2,039	40.7
500 to 1,000 .....	1,006	20.1
1,000 to 2,500 .....	964	19.3
2,500 to 5,000 .....	378	7.8
5,000 to 10,000 .....	206	4.1
10,000 to 25,000 .....	166	3.1
25,000 and over .....	255	5.1
Total .....	5,014	100.0



# Spain's Fight for Stability

---

By BAILEY W. DIFFIE

*Department of History, College of the City of New York*

---

FOR more than two years each day has brought news from Spain of a prospective rebellion, of a revolution or of an aborted uprising. The crisis during the third week in February, 1931 (dealt with elsewhere in this magazine under Spain, in the Month's World History), which seemed for a while to threaten Alfonso's hold on the Spanish throne, was the result of a series of events covering many years. From September, 1923, to January, 1930, Spain lived under the dictatorship of General Primo de Rivera, who, to maintain himself for so long a period, relied on the support of the King and of the Church. He was strongly supported also by a large part of the army, but his tenure was never secure.

At the end of January, 1930, Primo de Rivera resigned and the King called General Damaso Berenguer to succeed him. Nor did he find the road smooth. After a year in office, during which time he contended with numerous strikes and revolts, Berenguer was forced to resign. The King, appearing to be ready to meet the demands of the Opposition, temporized with them for a week, and then suddenly formed a new government with the support of various Monarchist adherents. Alfonso's position remained materially the same as before the recent upheaval, that of an unconstitutional monarch kept on his throne by the army and navy.

Is there some reason why Spain is the victim of such constant political turmoil? The centre of the dispute is the monarchy—the institution, not the individual monarch. Indeed, if any one thing has helped to maintain the monarchy in Spain, it is the personality of Alfonso XIII. But, though personally popular with the majority of his people, he is the symbol of an era which Spain is struggling to outlive; he represents to certain factions a set of conditions which is yet not entirely past but whose passing these groups wish to hasten.

(Four chief groups are opposed to the present régime. They are the Intellectuals, the Socialists, the New Industrialists and the Republicans.) These comparatively new forces in Spanish history are in addition strengthened by old causes of discontent which make the unrest perennial, namely, separatism, regionalism, race and language. What does the monarchy represent to each of these divergent interests? To the separatists and regionalists it represents a centralized form of government; to the Socialists and the New Industrialists a landed aristocracy and a national economy better suited to the sixteenth than to the twentieth century; to the Intellectuals it personifies the Church and cultural stagnation; to the Republicans it is the symbol of unconstitutional government and militarism. In other words, to all these

groups the monarchy is the symbol of a Spain that should have died with the French Revolution and the fall of the old régime in France. The Opposition is composed of those who proclaim a new cultural, political and economic era.

There are, of course, many remote but ever-present aids to this revolutionary movement. (Spain has so long been united in form that it seems incredible she has never been really united in fact.) Aragon and Castile formed the union, but neither of them was a unit in itself. Aragon had the troublesome section of Catalonia, whose numerous revolts have compelled nearly every monarch of Spain to march his troops into the region. Charles V, Philip II, Philip IV and Philip V all fought wars of long duration to subdue the turbulent Catalans and, while all were successful in a military way, none ever succeeded in solidifying the ties between them and the people of Castile. Nor do the sectional troubles end with Catalonia; at one time or another Valencia, Galicia and Andalusia have all risen to oppose the authority of the government in Madrid.

(Spain is also disunited in race and language.) Each section has its own dialect and the people refer to themselves as Castellanos, Gallegos, Catalanes or Andaluces. A Catalan in the United States might some day become an American, but in Castile he would never become a Castilian. The same thing is true of the language. The Galician dialect is quite different from the Castilian and the Catalanian. These dialects are not always mutually intelligible, and in parts of Spain it has been difficult to force the teaching of Castilian in the schools because of preferences for the regional tongues.

These racial and linguistic prejudices provide a fertile soil for the seeds of revolt. Catalonia is prone to seize on any pretext and to attach herself to any movement offering re-

sistance to Madrid. (At the slightest cause the tendency in Spain is to break up into many different divisions.) In 1808, when Napoleon invaded the peninsula, every town went its own way and Murcia, a town of less than 100,000, declared war on Prussia. During the troublesome days from 1869 to 1874, when Spain was passing rapidly from the hands of a monarchy to a provisional government, to a foreign king and then to a republic, the provinces of Catalonia, Valencia and Galicia all declared themselves independent. The Opposition, which represents the tendency of each section to go its own way, has as its target the King, because of the strong central government he represents.

The position of the landed aristocracy in Spain has not received such wide publicity as have the Junkers of Prussia, but the situation is similar. (Though Spain has never had a feudal system of the French type, there has always existed a class of landowners in possession of enormous estates who practically owned their tenants.) Germany, which has about the same area as Spain, has some 6,700,000 landowners, while Spain has only 3,400,000. There are 277,000 farms in Spain listed as "large estates." The opposition to this situation, however, has come not from the principal sufferers but from the intellectuals and social reformers. The King, who owns vast estates, stands as the symbol of this class, from which he receives strong support. Men like the Duke of Alba, the former Minister of State, and Count Romanones, who advocates constitutional monarchy, are strongly behind the present system.

(The Church is the keystone of the monarchical arch and as such the object of bitter attack.) Spain is, and has been for centuries, thoroughly Catholic. Not more than 30,000 people in the country today are non-Catholic and many of them are foreigners. The Church and the State have stood prac-



tically as one for centuries, the State contributing from 50,000,000 to 60,000,000 pesetas a year to the Church's support. The Church is, therefore, conservative. It does not wish to see a change in the system of government, which would almost certainly weaken the present close relationship. It is on the Church that the present intellectual group centres a considerable part of its attack. Whether correctly or incorrectly, the Church is accused by the intellectuals of debasing the confessional to a spy system for the government. Thus once more the monarch is regarded as embodying an obsolete governmental machine.

In so far as industrialization has developed in Spain, one of its chief by-products is a definite Socialist movement. Spanish socialism gained most during the life of its great leader, Santiago Iglesias, but his death has not halted its progress. Its most effective support has come from the intellectuals and the workmen, the latter of whom are now numerous enough to give force to their demands. The working class is divided into two principal groups—the General Labor Union, with its headquarters in Madrid, and the National Labor Confederation with its centre in Barcelona. The General Labor Union is not radical, but is affiliated with the Socialists, whereas the confederation is a near relation to the Syndicalist movement of France, a constant source of trouble to both the local and central governments, and, when its strength is added to the ever-present separatist movement in Catalonia, distinctly dangerous to the monarchy.

Probably more than anything else, the King is the symbol of unconstitutional government. If we are to understand exactly how unconstitutional his régime is in the eyes of the Intellectuals, Socialists and Republicans, we must go back a century in Spanish history. When Charles IV relinquished the throne to his son, Ferdinand VII,

in 1808, and shortly after, proclaiming his abdication had been involuntary, tried to reclaim it, he placed Spain in a state of confusion as to who was the rightful king. Napoleon attempted to settle the dispute by forcing both of them to resign and placing his brother, Joseph, on the throne. The result was a mass revolution of the lower classes and the creation of a Constitution which served as a model for radicals all over Europe. Ferdinand VII, who had been a prisoner in France from 1808 to 1814, promised to observe this Constitution when he returned. This he failed to do, and a revolt in 1820 brought about a temporary return to constitutional government, but reaction in 1823 restored Ferdinand to his full powers. "From that time to his death in 1833 Ferdinand ruled Spain as sovereign autocrat, irresponsible apparently either to man or to God." Spain again attempted to recover her constitutional government in 1837 and again in 1876. It is the Constitution of that latter year that is still theoretically the framework of the Spanish Government, but since September, 1923, it has not been in force except for a brief period during February, 1931.

Before the Constitution of 1876 was proclaimed Spain passed through a period, from 1869 to 1874, when Queen Isabel II was forced to flee, and when, after a period of provisional government, Amadeo of Savoy became King for a little more than two years, giving way to a Republican régime which lasted for less than a year. It is the manner by which this Republican régime came to an end that makes Alfonso's claim to the throne of Spain illegitimate from the viewpoint of the Republicans. Though notoriously unsuccessful and faced with revolt on every side, the Republican Government was still in power when a reaction under the leadership of General Martínez Campos placed Alfonso XII, the son of Isabel II, on the throne.

From that time to this, according to the Republicans, an illegitimate government has ruled the Spanish people. The failure of the present King, Alfonso XIII, to respect the Constitution, has given color to their claims and led to a declaration by Alcalá Zamora that "the Spanish crown is the most illegitimate thing in Spain, because it is unconstitutional." This view, strengthened by the persistent failure of the Spanish monarchs to respect the Constitution, gives rise to the Republican movement. The majority of intellectuals would not be Republicans if the monarchy were not a permanent barrier to the constitutional, Parliamentary form of government they desire.

Finally, there is the military factor. What we may call the problem of Spain's army has two important aspects. The first is its historical, political and military setting, the second its immediate relation to the present situation. Centuries ago an army career and a Christian life were almost synonymous in Spain. Though there were wars between the Christian States of Spain, the one absorbing occupation of every Spanish gentleman was fighting the Moors, who were Mohammedans. None but the serfs worked, and none could call himself *caballero* who had not won his spurs against the infidel. One of the results of this was contempt for manual labor. Another result was that it saddled Spain with a military system and a code of militarism far worse than that of pre-war Germany or present-day France. But it is a type of militarism directed at the home government rather than at an external enemy.

Spain passed through her glorious period when the Spanish armies lorded it over all Europe, after which she sank into a slough of internal wars which consumed her entire strength during almost the whole of last century. These wars, like the foreign wars before, were fought by the gentlemen of Spain, and practically all of them

were at one time or another officers in the army. The result was that all political activity was directed by army men. It was but a step to supplanting civil power by military rule. When a party failed to win by the ballot it resorted to the sword. This system the Spaniards call *Pretorianismo* because it resembles the old Roman system whereby the Pretorian Guard dictated the election of emperors. Unfortunately, Spain has not yet outlived this system, and while there are and have been prominent leaders in politics not of the military class, almost invariably they have depended on the army to support them. There are in the army one officer for every ten men and a General for every 300.

The outcome of the present crisis in Spain depends principally on the military class. Various branches of the army have shown signs of disaffection. The artillery revolt during the dictatorship of Primo de Rivera, the recent revolt of the garrison at Jaca and the spectacular attempt of Major Franco to arouse the aviation corps to revolt, show plainly that the army is not a unit. But as long as the army holds together in support of the monarchy, Spain is likely to have a King. There is not yet sufficient popular strength to depose him, or to overthrow the things of which he is a symbol.

This, in brief, is the situation in Spain today. There are two groups of opposing forces—separatism against centralism; a Socialist movement against the landed aristocracy; intellectualism against the conservatism for which the Church stands; the new industrial ideal against the old, sixteenth century economy; republicanism against monarchy, and finally, democracy as opposed to militarism in choosing a government. Standing in between these forces is the King, the embodiment of the old order. High above all is the army, the arbiter of the situation.



# Great Britain's American Empire

By GLEN A. BLACKBURN

*Professor of History, Northern States Teachers College*

THE frequent revolutions of the South and Central American countries have diverted attention from Great Britain's orderly, peaceful and prosperous colonies that lie in the same area. The old adage, "Happy are the people whose annals are uninteresting" has never been more true than when applied to these well-governed possessions. While considerable areas of this part of Great Britain's American Empire, British Guiana and Belize, for example, are largely tropical jungles, and support only a meager white population, they are becoming of increasing importance in the production of essential raw products. Excluding Canada, Newfoundland and the Falkland Islands, the total area of the British colonies in America is 110,836 square miles, with a population of slightly over 2,000,000.

A significant development during the last three decades is the growing interdependence between Canada and the other American possessions of Great Britain, with the general decline of colonial trade with the United States. The recent failure of the British Empire Conference to provide satisfactory interdominion trade preferences has apparently compelled Canada to look to Australia and other parts of the British Empire for direct trade agreements, a process which began thirty-three years ago with the British West Indies.

The British possessions in the Caribbean region and their areas in square miles are as follows:

Bahamas .....	4,400
Barbados .....	166
Jamaica .....	4,207
Turks Island (including Caicos Island) .....	169
Cayman Island .....	89
Trinidad .....	1,862
Tobago .....	114
Leeward Islands:	
Antigua .....	108
Barbuda .....	62
Redonda .....	0.3
St. Kitts .....	65
Nevis .....	50
Anguilla .....	35
Montserrat .....	32.5
Dominica .....	305
Virgin Islands .....	58
Windward Islands:	
Grenada .....	120
Carruacou .....	13
St. Lucia .....	233
St. Vincent .....	133
Grenadines .....	17
British Guiana .....	90,000
British Honduras .....	8,598

The political and commercial importance of these islands cannot be measured by population and area alone, nor even by statistics of production, for the essential strength of the British Empire consists in a proper geographic distribution of its material resources. To Great Britain the loss of one of her colonies would be more than proportional; it would throw all empire trade and politics out of balance.

Most of the Caribbean possessions were acquired before the opening of

the nineteenth century. Bermuda became a Crown Colony in 1684; Jamaica was taken from Spain in 1655; British Honduras was first settled in 1698; Trinidad was seized in 1797 and ceded under the treaty of Amiens; while the most ancient of them all is the Barbados, which England occupied peacefully in 1625 and has held ever since. The most recent possession is British Guiana, which was taken from the Dutch in 1814. Since Monroe's famous pronouncement in 1823, Great Britain has been unable to extend her territories materially. The last attempt was her claim to several thousand square miles of Venezuelan territory in 1876, resulting in President Cleveland's peremptory and successful demand for arbitration in 1895.

A significant means of measuring Great Britain's position in the Gulf area is to compare her domain with that of the United States. The only lands which we possess outright are Porto Rico, the Virgin Islands and the

Panama Canal Zone—a total area of 4,117 square miles. If to this is added the area of those lands over which the United States exerts an avowed as well as a disguised protectorate (Cuba, Panama, Nicaragua, Santo Domingo and Haiti), the area then compares favorably with the absolute holdings of Great Britain, a total of 161,857 square miles, compared with Great Britain's 110,836. This domain of Great Britain is larger than the combined area of the New England States and New York State. In population the three American possessions total 1,358,718, while the British exceeds 2,000,000.

Since the British Crown Colonies in America lie in the tropical belt, they constitute an economic complement to Canada. As the islands cannot produce grain they must import it, offering in return a variety of spices, silks, sugar, fine timber, sponges and other tropical commodities. Another important economic function of the Caribbean is-



BRITISH POSSESSIONS IN AMERICA



lands is to serve as a point of departure for the entire empire trade and investments in South America. The enormous amount of British capital invested in South America is well known.

British lands in America represent two grades of autonomy. Canada and Newfoundland, self-governing nations with only traditional ties to Great Britain, are thoroughly competent to make all local laws, to maintain a naval and military force and to conduct their own diplomatic affairs. They no longer "belong" to Great Britain, but as at the 1930 Imperial Conference each dominion was placed on equal footing, the United Kingdom itself has been accorded "dominion status." The second grade of autonomy is represented by the Crown Colonies which consist of all the other American islands and continental possessions. Theoretically, they are governed by Parliament, although since the World War local assemblies control many local matters such as tariffs, police and currency issues. The economic and political unity of these Crown Colonies has been recognized since 1898 by the holding of twenty-five intercolonial conferences. All except the last two were special assemblies for the consideration of particular problems such as agriculture, education, quarantine and reciprocity; the meetings of 1926 and 1929 were sessions of the permanent West Indies Conference which is hereafter to meet at thirty-month intervals.

There are two new factors in the close commercial affiliation between the British Crown Colonies in America and the Dominion of Canada. The first, a fortnightly freight, passenger and mail service between Canadian ports and the islands, was created by the trade agreement of 1925. The tonnage, speed and refrigeration capacities of the steamers are stipulated. This service has now been operating since December, 1928, and not only has helped to increase Canadian-Caribbean trade but has given British

shipping a monopoly. The nationality of vessels clearing from British Guiana for the year ended Dec. 31, 1929, is indicative of the situation.

Nationality of Vessels	Number of Vessels.	Percentage of Tonnage.
British .....	521	64
United States.....	8	1.4
Dutch .....	478	11.5
Venezuelan .....	309	0.05
Danish .....	34	6.3
Colombian .....	2	0.38

A second factor in the commercial liaison between Canada and the Crown Colonies is the exceedingly generous preferential tariffs prevailing between them. Canadian reciprocity with the West Indies dates back to 1897 when Canada accorded a 25 per cent preference to raw sugar and certain other articles. In 1909 a Royal Commission made a report on closer trade relations between the two regions, and in 1912 and again in 1920 reciprocal trade agreements were formulated. The most recent and thoroughgoing arrangement is the trade agreement of 1925 which provides that all Canadian imports from the West Indies shall not be taxed more than 50 per cent of the general tariff rates; and provides that all Canadian goods imported into the West India Islands shall pay only a percentage of their regular tariff rates. The amount of the preference differs with each colony, Barbados, British Guiana, Trinidad and Tobago, 50 per cent; British Honduras, the Leeward Islands and the Windward Islands, 66 2-3 per cent; and the Bahamas and Jamaica, 75 per cent. With the exception of Bermuda (which is to accord a preference to Canadian wines, spirits, malt liquors, cigars, cigarettes and tobacco by removing the 10 per cent surtax formerly imposed), there is no preference for tobacco, cigars or cigarettes. In the Bahamas, also, alcoholic goods are exempt from preferential rates. A further system of complicated exceptions to the schedule of preferences is embodied in the agreement. Rigid levels of preference were inadvisable

because of existing financial exigencies and because of the peculiar needs of special industries in the local colonies. Liberal discretionary powers of adjustment were allowed to the Canadian Prime Minister in order to prevent a producers' conspiracy in the islands.

Bananas, for instance, are the chief export from Jamaica, and when the fruit is shipped directly to Canada it may enter free as against a general tariff of 50 cents per bunch. If "any conspiracy, combination, agreement or arrangement is alleged to exist among growers, dealers, shippers or carriers of bananas" against the consumer, the Governor-in-Council may admit bananas from any country without duty. An elaborate system of special duties gives cocoa beans a preference of \$2 per 100 pounds, admits coconuts free as against a 75-cent tariff, and grants substantial concessions to grapefruit, coffee, sponges and a dozen other lesser articles. The Barbados, Trinidad and British Guiana grant the following preferences:

Apples, per barrel.....	\$1.50
Beef, per barrel.....	\$2.00
Lumber .....	66 2-3%
Boots and shoes.....	66 2-3%
Cheese, per cwt.....	\$1.50
Cordage, per cwt.....	\$1.50

All the islands give Canadian flour a preference of 2 shillings per barrel.

The preferences which became effective in April, 1927, have demonstrated their efficiency. The Collector

selected, it will be observed that in 1927, the percentage of imports from Canada was 66.7 per cent, and from U. S. A., 33.3 per cent. In 1928, the percentages were as follows: Canada 84.1 per cent, U. S. A. 15.9 per cent. In the case of Butter Substitutes, importations from the United Kingdom increased from 21.1 per cent to 53.1 per cent, while those for 'Other Countries' decreased from 78.6 per cent to 46.5 per cent. Pork, Wet Salted, decreased in respect of U. S. A. from 85 per cent to 64.8 per cent, the increase from Canada was 14.7 per cent to 31.9 per cent. Beef, Wet Salted, decreased from 51.5 per cent from U. S. A. to 0.7 per cent, while from the United Kingdom the increases were from 47.1 per cent to 97.5 per cent. Edible Oils decreased from 36.4 per cent to 25.2 per cent from Other Countries, and increased from 58.8 per cent to 73.3 per cent from the United Kingdom. Potatoes decreased from 16.3 per cent to 8.7 per cent from U. S. A., and increased from 74.4 per cent to 90.5 per cent from Canada." He pointed out that "the position as regards the United States is that of a steady decrease, since the year 1919, in which the percentage of imports was 61.1; in 1923-24, 42.5; 1925-26, 39.5; 1927, 33.9, and in 1928, 31.5."

An examination of the foreign trade of British Guiana during the last decade will reveal tendencies of the same character:

FOREIGN TRADE OF BRITISH GUIANA (PERCENTAGES OF TOTAL)

	1911-12.	1919-20.	1925-26.	1928.	1929.
Exports to United States.....	17	8	7	6	7
Imports from United States.....	27	35	15	12	12
Exports to Canada.....	46	46	45	45	46
Imports from Canada.....	8	19	23	22	19

General of Customs for Jamaica in the *Jamaica Gazette* of Aug. 29, 1929, said: "While preference may be only one of many factors which cause changes in the direction of trade \* \* \* there was a distinct change in respect of these articles toward empire sources. If the item Flour be

About 12 per cent of British Guiana's importations come from the United States, consisting mainly of leaf tobacco, pickled meats and electrical apparatus; the bulk of the imports comes, therefore, from the United Kingdom and from Canada. Canada takes 37 per cent of the col-



ony's exports, mainly in the form of sugar.

A similar case can be shown for the Bahamas. Imports from Canada increased from £240,295 in 1925 to £521,508 in 1929, while at the same time their imports from the United States showed a slight decline.

The United States leads the United Kingdom in the supplying of boots and shoes to the island colonies, likewise in furniture and wearing apparel; but in silk and woolen goods the United Kingdom enjoys an easy superiority. In at least one commodity Canada has a serious rival in the United Kingdom. In 1927 Great Britain shipped only nineteen bags of flour to British Guiana, but during the following year more than 9,000 bags were shipped and in 1929, 48,784 bags, 28 per cent of the total flour imports of the colony. There was a corresponding shrinkage of flour imports from Canada which amounted to 94 per cent of the total in 1928 and only 72 per cent in 1929. The United States furnishes a negligible quantity. Imports into the Bahamas from the United States for 1929 amounted to £449,567, while those from the United Kingdom totaled only £420,421. Indeed, the United States usually exceeds the United Kingdom in sending manufactured goods to all British islands in the

Caribbean but Canada is growing steadily into a strong and successful rival. The United States, however, has kept a share of one important export—whisky. The Bahaman customs report for 1929 states that the United States exported to the islands 3,679 gallons of whisky.

The new Canadian tariff announced on Sept. 16, 1930, does not materially affect the relations of that country with the West Indies. Three tariff rates are set up by this new act: a general tariff, which is intended mainly as a retaliation against high trade countries like the United States, an intermediate rate extended to those countries who make reciprocal concessions, and, finally, the British preferential rate. Australia receives many splendid concessions, and it is evident that Canada is cherishing the hope of intimate trade relations with her sister dominion in the Southern Pacific. Practically all the increases are on goods not imported from the Crown Colonies in America. While the recent chill thrown by the British Ministry over the dominions' plan for a general empire tariff of 10 per cent may result in a weakened solidarity in interimperial dependence, it is probable that Canada and the American colonies will gradually be drawn into a closer economic alliance.

# America's Disabled Veterans

---

By WILLIAM C. DEMING

*Former President, United States Civil Service Commission*

---

[The present burden on the United States Government in caring for disabled war veterans, as described in the following article by Mr. Deming, has been materially increased by the passing of the veterans' bonus loan bill. This measure, which raises from 22½ to 50 per cent the loan rate on service certificates at a potential cost to the government of \$1,000,000,000, was vetoed by President Hoover, but adopted over his veto by the House and Senate on Feb. 26 and 27. This action by Congress and the events leading up to it are discussed in the monthly record of affairs in the United States elsewhere in this magazine.]

**"P**AYING our debt to France" was one of the slogans of 1918. Paying our debt to the disabled veterans of the World War has been a problem ever since. The question is as old as history. Plutarch quotes Solon as saying that "persons maimed in the wars should be maintained at the public expense." Twenty-five centuries after Solon, the United States, to relieve the disabled veterans, took steps which constitute a significant social and economic chapter in our history.

About 4,700,000 men served in the forces of the United States during the World War. Afterward, most of them returned to civilian life, hoping to forget the war and never to see another war. One group could not forget. They were the "disabled veterans," about six in one hundred of the original 4,700,000. On Dec. 31, 1930, this group totaled 292,231.

To care for the disabled and to handle other veteran problems the Veterans' Bureau was created in 1921.

It was made up of the old War Risk Insurance Bureau, parts of the Public Health Service and parts of the Federal Board for Vocational Education. A further consolidation in July, 1930, brought in the Pension Office and the Soldiers' Homes, so that all veterans' activities are now handled by the "Veterans' Administration."

It is surprising that after fighting half a dozen wars, America had no standardized disabled veteran procedure. The usual cure-all had been pensions. When the World War began, it was flatly announced that the pension system was to be abandoned and that all those soldiers who wished to protect themselves financially must do so through the war risk insurance which was made available to all in the armed forces. The fear of the pension plan was aggravated by the certain knowledge that a vast number of men would be called to the colors, with a potential pension list that would be staggering. The fears were realized. Our World War veterans surpassed in numbers our veterans from all the wars in which the United States had previously fought.

How successful the country was to be in escaping a pension system remained to be seen. With the armistice came the necessity of aiding the veterans who had been disabled. This has since taken four principal forms: Hospitalization, rehabilitation education, compensation and employment. Hospitalization came first. From France were coming men without legs. Many were shell-shocked. Others were af-



flicted with tuberculosis. The problem of caring for their various ills has taxed the best resources of the United States. That it has been handled well is generally agreed. Congress has been generous in the extreme. Hospital construction has been satisfactory. The medical treatment has been efficient. The government has done a good job.

Year by year there has been a steadily increasing number of veteran hospitals. About \$100,000,000 has been appropriated for new hospital construction. Today the Veterans' Bureau operates forty-eight hospitals, which will be increased to sixty-four when the construction under existing appropriations is completed. Hospitals are too frequently ugly and repelling, but the ones erected to care for the veterans are as beautiful as such useful structures can be made. They are scrupulously clean, comfortable and attractive. Well-stocked libraries, individual radio sets, recreation halls and swimming pools help to keep the veterans happy in mind while they are being strengthened in body. Since the war there have been nearly 1,000,000 admissions! Over 100,000 cared for in a single year! More than 8,000 received and discharged every month. Some 70,000 medical "out-patient" treatments monthly!

Besides the regular veterans' hospitals, a number of model diagnostic hospitals have rendered peculiarly effective aid. They are scattered through the country from Washington, D. C., to Cincinnati, Chicago and Palo Alto. When there is a doubt as to the nature of a veteran's disability and the proper treatment for it, he is sent to one of these centres for observation. Expert medical specialists, selected from the best talent in the neighborhood, examine him and he is then assigned to some other government hospital for appropriate treatment. In these diagnostic centres the specialists render their own independent judgment on a case, uninfluenced by any previous

findings. Furthermore, the medical and surgical equipment is as fine as money can buy and is far superior to what the average private practitioner can afford.

In all the veterans' hospitals there is a constant turnover since some ailments take but a brief period for treatment. On June 30, 1930, there were about 30,000 patients. Of these, two in ten were under treatment for tuberculosis. Five in ten were neuropsychiatric cases. The remaining three in ten were under general medical or surgical treatment. The peak of the admission of tubercular patients was reached in 1922. There has been a gradual decrease in the number ever since, while the number of mental cases has steadily increased and now makes up about half of those in the hospitals.

Just after the war, many of the veterans had to be farmed out to "contract hospitals," to which the government paid fees for their care. Experience proved this procedure to be expensive and unsatisfactory. Today, practically all the disabled are in Veterans' Bureau hospitals under the care of government physicians and government nurses. About 7 per cent are in contract hospitals, most of them mental cases in State institutions. With the standardization of procedure the cost of hospitalization has been reduced to an average of \$3.84 a day, although no effort is spared to provide the best of everything for the patients.

It is something of a paradox that despite the efforts to make the hospitals comfortable and attractive, the Veterans' Bureau does not believe that the patient should linger there too long. A significant statement was recently presented to a Congressional committee by General Frank T. Hines, Administrator of Veterans' Affairs in Washington. He advocated cutting down the disability pay of veterans without dependents during the period of hospitalization, the purpose being

to give the patient the "urge" to get well as rapidly as possible. It has been the constant aim to have the veteran regard the hospital not as a comfortable goal, but as a temporary stopping place between disability and self-sufficiency.

Veteran relief has been greatly enlarged by the addition to the disabled group of men who came out of the war with no apparent physical defect, but have since contracted some disability or disease. The present trend of veteran legislation concerns the care of this class and this constitutes a step of vast social and financial consequence.

It was nearly thirty-seven years after the Revolution before the Federal Government attempted to care for the disabilities of the soldiers who incurred some ailment after return to civil life. Today "disabled veterans" include not only those who suffered in war, but those who have contracted some disability since. Both social and political reasons have influenced this change of policy. From the social side, it is probably true that a vast number of former service men would receive no adequate treatment unless the government offered it. From the political angle, it is a fact that the veterans' organizations are beginning to wield enormous political power and that hospital treatment for their members, regardless of the origin of the disability, is one of the evidences.

In one of his messages to Congress, President Coolidge said: "I recommend that all hospitals be thrown open at once to receive and care for, without hospital pay, the veterans of all wars needing such care, wherever there are vacant beds."

General Hines stated later: "All available government hospital facilities have been thrown open to veterans of any war, military occupation or expedition, without regard to the nature or origin of their disability; without asking whether their ailments were due to the service or not, or

brought about by their own misconduct, so only that the veteran is in need of hospital treatment and the government has the hospital to treat him in. More than that, provision has been made for the traveling expenses of such needy veterans from their homes to the hospitals for treatment."

The government is thus undertaking a new problem which might be expressed as the care of the war veterans' disabilities in contrast to the care of the veterans' war disabilities. This new program has had two immediate results. It has raised enormously the number of admissions to hospitals and it has, in turn, increased the need for additional hospitals. This has been met by appropriations of millions by Congress for construction of new hospitals which would not have been needed if the change of policy had not been agreed upon by the government.

In criticism of this policy, some disabled veterans have complained that so many non-service-connected cases have been admitted that it has been difficult for service-connected cases to gain immediate admittance. A veteran, for instance, with one leg finds that his stump is in need of attention and when he asks for immediate hospital treatment he has sometimes been asked to wait. The disabled veterans insist that an adequate reserve space should be maintained to care for any veterans disabled in the war who may need hospitalization. To this the Veterans' Administration replies that such a case would not be typical; that, on the contrary, the service-connected case has priority over the non-service-connected case. It points out that where no beds are available and immediate treatment is needed, the law permits the veteran to be hospitalized in a contract hospital. This provision does not apply, however, to the non-service-connected cases.

After hospitalization the second problem was "rehabilitation." After the war it was provided by act of Congress that every World War ex-service



man or woman suffering from a disability incurred in or aggravated by or traceable to service, resulting in a vocational handicap or a compensatable disability of not less than 10 per cent was entitled to a course of training at the expense of the government. A total of 180,000 entered training, and 128,500, according to the Veterans' Bureau, completed it. The program terminated July 2, 1928, at which time it was estimated that about \$645,000,000 had been expended. At the peak of the program there were men in training at more than 3,000 educational institutions, which taught more than 500 separate occupations. The training allowances ranged from \$80 to \$170 per month, varying with the number of dependents and the locality in which the work was conducted.

No phase of the veteran relief program has been so unsatisfactory as this. The government faced a unique educational problem. Here was a disbanded army of huge proportions, let loose in a vexing reconstruction period. The majority of "trainees" were troubled in mind as well as handicapped in body. Many of them did not know what they wished to study and the desires of many did not fit in with their educational background. Although past the usual schoolroom age, many had distinct educational limitations. The program was successful, however, with the men who had simply interrupted their college studies to go off to war. "Rehabilitation" meant to them simply finishing their college courses at government expense.

Many of the disabled veterans themselves feel that the courses were theoretical and therefore impractical. Many veterans gave up their jobs which they had found on returning from the war, went into training and more or less loafed away the time until the training period was over. They regarded it as a period of doing little and getting paid for it. In many cases the veterans upon completing

this training could not be placed in a permanent job. In many others the government paid the salary at the beginning. When this initial period was over the veteran frequently returned to the occupation which he had held before the war, or something similar, his "training" forgotten.

Educational rehabilitation of the veterans was a pioneer undertaking for which Congress appropriated and ordered the expenditure of more than half a billion dollars. The veteran, often with a wife and children, wanted a job at a wage which would support his family. He believed that as a result of his war service and his period of rehabilitation training he was entitled to such a job. However, when a young man graduates from college there is no wild scrambling on the part of commerce or industry for his services. When he finishes school and begins work, he usually begins at the bottom. He has gained a diploma but not the card of a craftsman. Economic necessity, plus a feeling of unrest, made the disabled trainee demand more. Many disabled men, expecting greater immediate returns than ordinarily come from school training, were disappointed and now regard the rehabilitation program as a failure.

The third phase of the disabled veteran relief program has taken the form of direct compensation. This is the parallel to the pensions resulting from other wars. On Dec. 31, 1930, the 292,231 disabled veterans were receiving about \$168,000,000 annually in disability compensation. The average monthly pay was \$44.22. A statutory award of \$50 a month is paid to 42,675 veterans with cases of arrested tuberculosis. It is interesting to note that 73 per cent of all veterans now drawing disability compensation received this award before Dec. 31, 1921.

A new and important angle has been injected into the compensation situation by legislation approved in July, 1930, making veterans with non-service disabilities eligible for allow-

ances. A disability allowance may now be paid to any honorably discharged veteran who entered service before Nov. 11, 1918, who served ninety days or more and who is suffering from a 25 per cent or more permanent disability which was not contracted in service during the war and for which compensation is not otherwise payable. The rate for such allowances is as follows:

25% permanent disability.....	\$12 a month
50%       "       "       .....	18       "
75%       "       "       .....	24       "
Total       "       "       .....	40       "

A flood of claims was made immediately under this legislation. It is estimated that the total amount to be paid out during the first five years under this law will be nearly a third of a billion dollars, all for non-service disability. Another item of expenditure is the payments to emergency officers of the World War. Under legislation approved in Congress after a long struggle, if an emergency officer has a 30 per cent permanent disability, due to service, he is eligible to be retired on three-fourths of his army pay. During the past year this item has cost more than \$12,000,000. This provision recently precipitated a bitter fight in Congress, where it was charged that about one-third of those retired on three-fourths pay are medical officers who have rated each other's disabilities on a liberal basis. Particular criticism was leveled at those who are receiving high emergency officers' retirement pay, but who are physically well enough to draw high salaries in private or official life.

The emergency officers were men who in civilian life had superior educational training and qualities of leadership. When the war ended they found that the disabled officers of the regular army had been permitted to retire on disability compensation and they demanded the same privileges. When they returned to private employment the same qualities that had

won them commissions in the army won them high places in private life. Nevertheless their double pay has aroused bitter criticism.

It takes a vivid imagination fully to grasp the stupendous amounts already paid out, directly or indirectly, for veteran relief as a result of the World War. Up to Dec. 31, 1930, the amounts were as follows:

Compensation (includes compensation to veterans and dependents, disabled emergency officers and disability allowance) .....	\$1,758,954,000
Insurance .....	1,480,446,000
Adjusted service and dependent pay .....	39,697,000
Adjusted service certificates .....	100,869,000
Vocational training .....	644,952,000
Allotments to dependents ...	300,839,000
Allowances to dependents...	282,083,000
Medical and hospital services .....	401,281,000
Hospital facilities and services (construction) .....	48,931,000
Administrative .....	401,150,000
Miscellaneous .....	198,000
	<hr/>
	\$5,459,400,000

Not all the above, by any means, involves the cost of the disabled, but there are easily recognized items covering huge amounts which go to relieve the disabled group. Wars cost money and succeeding generations must pay the bill.

For disabled veterans the major problem has not been hospitalization or compensation, but employment. Both the public service and private employers seem reluctant to give a disabled veteran a job. This is graphically illustrated by the fact that despite elaborate provisions designed to give disabled veterans preference in appointments in the Federal service fourteen of the twenty-nine establishments in Washington appointed no disabled veterans whatever in the year ended June 30, 1930.

The reasons are numerous. The majority of the positions in the Federal service are clerical, such as typists and stenographers, and few of the disabled are qualified for such places. Also, most of the persons appointed are younger than the veterans and about half of the appointees are wo-



men. There is also uncertainty as to whether the disability will prevent efficient performance of the work, and the fear that there will be need of additional sick leave privileges. Furthermore, if the veteran is inefficient it would be embarrassing to discharge him. Finally, the trouble is traceable in some degree to the fact that some veterans in the past, particularly in the period immediately following the war, made what some employers regarded as unreasonable employment demands.

There is no doubt that this last class weakened the ambitious veteran's chances for employment. Newspapers were filled with accounts of "ex-service" men demanding this and that privilege. In actual employment such demands came frequently enough to be troublesome in the commercial world where output and efficiency are necessary. The result has been that in many cases the door has been barred to the conscientious veteran because of the record made by the unconscientious one. Finally, private employers sometimes refuse to employ the disabled because under workmen's compensation laws insurance companies demand a high physical standard.

A recent survey in the District of Columbia showed that out of 1,484 cases of disabled veterans who were permanent residents, not "floaters," 40 per cent were employed and 60 per cent were unemployed. The latter class, according to an interesting analysis made by a leader of the disabled veterans in Washington, includes the following groups: The adjusted (happy and employed); the unemployable (totally disabled plus the shiftless); the employable unem-

ployed. It is the third group, the employable unemployed, that merits further assistance. It is larger than both the other groups. Until this group is gainfully occupied there will remain an ever-present disabled veteran problem.

To assist in placement an employment service for all ex-service men, not merely the disabled, has been established in the Department of Labor. This year \$100,000 will be expended. For 1932 \$391,500 is to be requested. The employment work is now operating in eighteen States and there are plans for extending it to three others in the immediate future. The United States has not seen fit to follow the example set by some European countries, of compelling private employers to have a fixed proportion of disabled veterans among their employes.

The story of our disabled veterans must inevitably close with the notation, "To be continued." Thus far in attempting to restore them to health the United States Government has spared neither money nor facilities. It has attempted, with generous expenditure, to educate them for gainful employment. It has not been able to insure their employment. And employment remains the unsolved problem of the disabled veteran today. The problem will increase in size and character every year. No individual, community or State, no single veterans' organization or all of them, can handle it, but all must supplement the efforts of the Federal Government. Only the Federal Government is big enough and powerful enough to coordinate methods of caring for a million or more disabled veterans in the years to come.

# Chautauqua's Contribution to American Life

---

By GEORGE S. DALGETY  
*Northwestern University*

---

THE traveling Chautauqua with its brown-topped tents had a full life but a comparatively short one. President Roosevelt called it "the most American thing in America." Sinclair Lewis characterized it as "nothing but wind and chaff and the heavy laughter of yokels." Possibly both were right. It supplied an outlet for classical music and noisy jazz; finished professional acting and amateurish claptrap; genuine education and charlatan quackery; genuine reform and sensational muck-raking; lofty patriotic utterances and cheap sentimental drivel. One thing could be said for it—it seldom approached the vulgar and it was never vicious. It was considerably less highbrow than a university, but infinitely more intellectual than a circus.

The traveling Chautauqua was a combination of two institutions already well established. The first was the Lyceum Bureau, founded by James Redpath of Boston in 1868. From a central agency Redpath arranged lecture tours for the prominent speakers of the day. He did the advertising, collected the fees and relieved the speakers from all responsibility except that of delivering the lectures. Ralph Waldo Emerson, John B. Gough, Wendell Phillips, Charles Sumner, Mark Twain, Henry Ward Beecher, General Lew Wallace, James Whitcomb Riley and many others worked under his management. In 1873

Bishop Vincent and Lewis Miller established Summer study courses, lectures and musical recitals—all with a strong religious background—which were held on the shore of Lake Chautauqua in Western New York. The plan was soon copied, but it was limited because of the expense. The requirements of permanent buildings and accommodations for visitors, together with traveling expenses of "talent," made a widespread Chautauqua movement impossible.

In 1904 Keith Vawter, then less than 30 years old and an officer of the Redpath Lyceum Bureau, combined the idea of the lecture bureau with the Chautauqua and brought it to towns that had neither the lake background nor available money. Necessarily Vawter saw visions, but he had little spare time to dream dreams. Small, quiet, but very keen, he could think straight and analyze clearly. Combined with a genius for organization and handling men was an ability to inspire confidence and loyalty. A cryptic, epigrammatic utterance masked the emotionalist and the idealist.

Vawter procured a number of tents, fitted them with platforms, light, pianos and rather crude seating. He hired his speakers for definite periods and reduced their travel to a minimum. Each day the troupe moved on to a new town and others followed along the same route. Thus



each one worked six or seven days a week, instead of the two or three under the old system. All that was needed in each town was a fair-sized vacant lot—often the principal commodity of the small towns—and a willingness of the townspeople to co-operate in an advance sale of season tickets at a nominal cost.

The first year there were thirty-three towns on the list, but the deficit halted the movement until 1906. By that time Vawter had paid the old bills, eliminated the errors of the first trial, and started again. This time it was a success. Soon the idea was copied and the brown-topped tents were to be seen in every State in the Union; eventually they reached Canada, Alaska and then Australia.

The people for miles around came to town for Chautauqua week. Many camped in small tents. Every hitching post and available tree was utilized. Every afternoon looked like the Fourth of July and every night was Saturday night. The happy crowd of anywhere from 700 or 800 to as many as 4,000 or 5,000 had a quiet earnestness and expectation that did not belong to the street carnival, the fair or circus mob. These people were present for a definite purpose, the annual contact with the great outside world through the medium of men who were authorities, whose names were often in the headlines and were household words. The old people hobbled on canes; some came in wheelchairs. The younger ones were eager, alert and expectant. Mothers brought their children and left them with the playground supervisor. Democracy reigned. The women might come in Sunday regalia; the men might, and often did, come in shirtsleeves. But every one came. Merchants closed their stores and all local interests resigned in favor of Chautauqua. These audiences constituted the student body of the outdoor school. As one man said, "We spent large sums on the education of our children. I am glad

to have a chance to spend \$2 on my own."

For more than twenty years these brown-topped tents filled a place in the educational and social life of the more or less rural communities, claimed an immense following and not a little influence. Then, almost without warning, it folded the draperies of its tents about it and sank into the realm of things that had been.

William Jennings Bryan in 1915 expounded from the Chautauqua platform his theory that an army was unnecessary, because at the call of the President 5,000,000 men could jump into 1,000,000 Fords and overnight be where they were needed. Harvey Wiley expounded his pure-food doctrines. Here the late Vice President Marshall voiced his quaint witticisms. Here former President Taft, Champ Clark, the late President Harding, Senators Gore, Cannon, Vardaman, Fess, Kenyon, Dolliver, Burkett and many other notables appeared season after season. Congressmen and Governors were hired in bunches and were taken as a matter of course. More than 100 of them were on programs in a single season. Prominent divines were welcomed—Russell Conwell with his "Acres of Diamonds," the mighty Frank W. Gunsaulus, S. Parkes Cadman, Newell Dwight Hillis, Bishop McConnell and Bishop Quayle. Bishop Vincent, who founded the permanent mother Chautauqua in 1873, lectured under these tents almost to the time of his death. Rear Admiral Peary, Ida Tarbell, John Kendrick Bangs, Edmund Vance Cook, "Off Again On Again" Gillilan, grasped this opportunity to get close to the people and at the same time to receive substantial emoluments.

A large group of professional lecturers worked on the Chautauqua in the Summer and covered the lyceum or lecture courses in the Winter. These men as a rule knew crowd psychology and were masters in the art of presentation. Usually their material was of the inspirational type,

commonly known as "heaven, home and mother." Their thought was not always logical or their contributions strictly scientific. A former college president might tie together a string of platitudes, but roll them out with such force and unction that his work was accepted, even by thinking people, as nearly inspired. A legislator was known as the man with a ten-cent lecture and a million-dollar voice. But these men were artists when it came to "putting their stuff over," and they were extremely popular.

In the Summer the Chautauqua program was a good *Who's Who* of the men and women in the public eye of the country. At first when a Chautauqua man went to Washington he was talked to only in whispers and behind the closed door of a private office. Later, as the members of the House and Senate realized the value of appearing with genuine prestige before the people, the nation's business was likely to be neglected when the man who signed the contracts and wrote the checks appeared on the premises.

With these speakers was usually to be found a good brass band, at least on the better circuits, and a brass band of sorts on the lesser ones. Concert companies, readers, cartoonists, humorists and even magicians found their place. Occasionally an outstanding singer, such as Schumann-Heink, Mme. Claussen, Geraldine Farrar or Alice Nielsen, could be heard. Gilbert and Sullivan furnished much of the musical comedy, while the Ben Greet Players produced Shakespeare, simply but adequately.

The Chautauqua rose to its greatest power and popularity during the war years and immediately after. It had a genuine part in rousing the people to a sense of responsibility in 1916, 1917 and 1918. When the metropolitan press suddenly discovered that this organization of the small towns was good for a story, feature writers were sent over the circuits. Hundreds of articles appeared in all kinds of

magazines. Blasé special correspondents who went out to ridicule the country educational circus came back and apologized for being swept away with the charm, the intelligence and the power of the movement. The government gave it signal recognition when Secretary of War Baker, Secretary of the Treasury McAdoo and Henry P. Davison of the Red Cross endorsed its help in no uncertain terms. President Wilson wrote:

"Your speakers, going from community to community, meeting people in a friendly spirit engendered by years of intimate and understanding contact, have become effective messengers for the delivery and interpretation of democracy's meaning and imperative needs. The work the Chautauqua is doing has not lost importance because of the war but rather has gained new opportunities for service. Let me express the hope that the people will not fail in the support of a patriotic institution that may be said to be an integral part of the national defense."

During the war years at least 5,000 towns and cities were visited each Summer and the total attendance was more than 20,000,000. One organization alone had enough "talent" on its many circuits to give three complete programs a day for 105 days without repeating a single number. The managers were idealists who felt that they were making a genuine contribution to the welfare of the country. More than once a manager who was fortunate enough to escape storms with the consequent destruction of tents and equipment, and who made \$25,000 or \$50,000 out of his year's work, put it all back the next year to add to the quality of his program.

As recently as 1925 or 1926 any one touring America passed through town after town ablaze with strings of pennants across the roads, posters on every sign board and in every window, townspeople in holiday mood, streets filled with cars from the surrounding



country. The Chautauqua was the small town monarch. He still struggles on, but Samson is shorn of his locks and the Chautauqua is controlled largely by Samson's traditional weapon.

It is difficult to state accurately how many Chautauquas are still in existence, but the number is comparatively small and the programs presented and the enthusiasm with which they are received are even more emphasized by contrast than the difference in numbers. No longer is the genius of Keith Vawter at the helm. Only one of the thirteen great Red-path circuits with their more than 1,200 towns will open the new season, this one in New York, Vermont, New Hampshire and Maine.

The first real break occurred in 1926 when Keith Vawter, the first to visualize the possibilities of this movement, was also the first to see the handwriting on the wall, and sold his interests to others. Of his banner circuit of about 120 towns, three years later only about ten were still on the list. Other managers have given up the ghost, through sale, abandonment or receivership. Those who have succeeded to the management of these "people's universities" are without the traditions of uplift and idealism of their forerunners, and state with frankness among themselves that they expect to be able to carry along two or three years on the former worth and popularity, but with programs trimmed and other expenses cut to a minimum. Their motto is "Clean up and get out."

What are the underlying causes of this débâcle? What forces have operated to wipe out so suddenly an institution that had such a grip on the hearts and minds of 20,000,000 or 30,000,000 people? Many forces have combined to relegate this once widespread movement to oblivion. Formerly the mothers were interested in the church, the home and the school; the Chautauqua supplemented each of these and combined first-class enter-

tainment. It was the one joyous week that helped dispel lonesomeness and gloom on the farms and in the small town the rest of the year. Today the roads about the towns are dotted with public dance halls and they make a greater appeal. In the former days of the Chautauqua a man had fewer opportunities for self-expression. He worked hard for a week to sell tickets in order to be allowed to make the introductory speech on the opening day of the Chautauqua, and so impress himself on his fellow townsmen. Now that opportunity for expression is provided at the weekly meeting of the Rotary, Kiwanis, Lion's Club or the Chamber of Commerce. A man worked for a week in order to gain the privilege of meeting the noted speakers at the train and be seen strutting with them from the depot to the hotel and out to the tent. Now the strutting is done on the golf course at the country club, something that did not exist in many Chautauqua towns fifteen or twenty years ago.

But what about those who were so enthusiastic over the value of the Chautauqua as an educational institution? Many of them have passed on. Those left are present each year, hobbling on their canes, but they are unable to do the necessary work to make the Chautauqua successful, work more necessary now than ever because of the many competing attractions. Their places are not being filled.

A comparison of the programs now and ten years ago raises some interesting questions. Have not the programs become poorer in late years? One says: "If you compare the programs of any three years with any other three years you will find little difference, if any." Here there seems to be an honest difference of opinion. A visit to several Chautauqua towns disclosed the opinion that the programs were different. One man said, and he was supported by others: "The programs are not what they were. The speakers are practically all un-

heard of before they come and are far from being as good when they get here." Probably both opinions are right. One was talking of the programs of some years ago; the others were discussing the present régime.

But the original idea of the Chautauqua has been lost sight of. The lecturer was said to be the backbone of the Chautauqua. There were two kinds—the celebrity whom people came to see and the one who had something to say or could say something well. Fortunately, indeed, was the program which could include both celebrity and speaker in the same man. That was the reason why, year after year, Bryan was the most popular attraction to appear on the platform. The lecture method of education made the Chautauqua possible, tied to its support in each town that group of earnest, thoughtful individuals who went out each year and worked for its success or, if necessary, cheerfully paid the deficit. They wanted the information and contact which came from such men, and, even more, they wanted their children to be exposed to such inspiration.

Year by year there has been an increasing tendency to meet competition from other agencies by cutting down on the speakers and substituting lighter forms of entertainment. Ordinarily the lecturer worked almost entirely to "season ticket holders." He drew few people who paid at the gate. Lecturers learned that Bryan received a minimum of \$250 per lecture, worked twice a day and so earned \$3,000 or more a week. Each one thought he approximated Bryan, and his price increased. The answer was a curtailment of celebrities and the substitution of poorer speakers.

The program also changed in other respects than that of the lecturers. Formerly if a play were presented it was a Shakespearean drama. Now it is not unusual to find two or three small-cast farces on the same week's program. Formerly the band was ac-

companied by a group of singers who presented operatic selections in costume. Too many small town bands came into existence which compared favorably with the pick-up bands brought by most of the Chautauquas. Later, current musical plays took the place of the band and singers. These drew a better general gate and were less expensive. Formerly the Chautauqua was education with entertainment. Later it became entertainment with or without education.

Yet this change has not accomplished its purpose. The Chautauqua was only successful where a large number of season tickets were sold in advance, and, in fact, the people of each town signed a guarantee to sell a stipulated number of tickets. The subordination of the educational part of the program alienated those who formerly worked to sell the necessary tickets; they were not easily replaced by those who patronized only lighter features. The entire idea of the Chautauqua was built on the plan of co-operation. The local people sold season tickets in advance good for twenty programs, more or less, and the management furnished advertising equipment and the twenty programs at an average cost of about 10 cents each. This ticket sale was carefully planned, organized and supervised. The local organizations so formed were set up and experienced, so that with the advent of the Liberty Loan drives and Red Cross campaigns during the war, thousands of these towns were well manned and ready for the patriotic work.

Possibly this generally unselfish work on the part of the Chautauqua guarantors was undermined somewhat when various managements put into effect a new form of contract which gave the guarantors a percentage of the receipts. People were not slow to see that they did a lot of work for a very meager monetary return. In other words, they did whole-heartedly for love what they did reluctantly, if at all, for money. The same psychol-



ogy has been demonstrated repeatedly in all kinds of campaigns to raise funds for community chests, hospitals, churches and educational institutions.

The movies have had little harmful effect; in fact, the movies and the traveling Chautauqua have had about the same length of life. Many of these small places saw their first good movies through the Chautauqua. Dr. Frederick Poole, with his lectures on China, used them, and one or two who lectured on Arctic explorations showed their travels on the flickering screen. Burton Holmes and Lyman Howe were not reaching many of this kind of community. At any rate, where movie houses existed, many closed during Chautauqua week. The talkies, while still new, would undoubtedly have a much greater detrimental effect than did the movies, were there anything left to be affected.

Chautauqua authorities said they had little to fear from the radio. Their thought was that the people would be more eager to see the entertainers and speakers whom they had heard on the air when they appeared in person, and also that the radio was unsatisfactory in Summer. But the radio personnel did not come on the Chautauqua circuit, or, if it did come, was inferior. The radio, moreover, has been improved until it has overcome much of the Summer difficulty.

The greatest single cause of the fading out of a once powerful force is good roads and the universal car. The Chautauqua was the one week of freedom from toil possible for millions of people; it was a great social event, as well as a week of education and entertainment, and they planned for weeks and even months to be free from entanglements. In the early days of the Chautauqua people came in large

numbers from miles around in bouncing buggies or board-seated farm wagons over deep-rutted, dust-submerged, dirt roads. This and the unscreened windows at home hardened them to the discomfort of hard board benches and the cheerful, invigorating hum of mosquitos. One man expressed the sentiment when he stated that a five-mile ride in a springless flivver seemed like the poetry of motion after he had been riding a disk harrow for three days.

Later, when the farms were run by machinery, the houses lighted by push buttons, and screened porches defeated the mosquitos; when the atrocious roads received a concrete culture; when cars were equipped with shock absorbers and real cushions; when the movies in town furnished cool, upholstered seats, free from mosquitos—then the pioneer spirit died out. Seventy degrees cool and "Elite Pleasure Palaces" and their accompaniments furnished a competition that appealed more strongly to the younger generation at least.

The Chautauqua is not permanent because it arose out of a passing need. It gave the people in good measure what they wanted and did what other agencies did not do—harnessed the best and took it to them, or at least close enough for the people to reach it. It catered to their isolation and made them see the outside world and feel that this social, informative institution was the link which made them a part of that world. It was great in its day. It brightened millions of otherwise drab lives. It introduced organized play to hundreds of thousands of youngsters. It was given credit for the change and advance in political thought throughout the Middle West. But whatever it was, its day is gone.

# The Struggle for Land in Palestine

---

By CLAUDE F. STRICKLAND

*British Government Expert*

---

[Mr. Strickland, who contributes the following article on the land problem in Palestine, after serving for many years in important positions in the British Indian Civil Service, has more recently made, for the information of the British Government, a special study of the conditions affecting colonization and agricultural development in Palestine. This problem, upon which hinges one of the sharpest of the present controversies between Zionist and Arab leaders, is also a main topic of the latest definition of British policy as set forth in Prime Minister MacDonald's letter of Feb. 13, 1931, which was issued after Mr. Strickland's article was written. The full text of the Prime Minister's letter is also printed below. For later developments in this situation see Professor Lybyer's review of events in the Near and Middle East elsewhere in this magazine.]

THE British Government when undertaking the administration of Palestine did not fail to realize the nature of the puzzling task before it. Under the stress of war, promises had been made to both Arabs and Jews, and the terms of the mandate indicate that two different and probably conflicting claims had to be reconciled. Nor has the mandatory power been guilty of intentional partiality in its subsequent actions; the vigor of the criticisms directed against the British Government by both communities is strong evidence of its caution and fairness in this respect. Palestinian policy in the last ten years has rather been characterized by excessive caution, with the result that the desire to avoid all appearance of bias has

slowed down the pace of the development by which alone the dual duty could be fulfilled.

It was not enough to permit Jewish immigration and maintain order in Palestine, while extemporizing remedies for any evils which the inevitable friction of Jews and Arab might create. Such an empirical treatment might be pardonable to a non-colonizing country, but not to a people and government which enjoy the widest experience of Oriental rule and communal antipathies. The reaction of Jewish competition and Jewish standards of living on the Arab should have been foreseen, and a plan should have been adopted for the economic and social improvement of Arab life. India and Egypt have clear lessons to teach, and trained administrators from these or similar countries would have known what steps to take in defense of the weaker community.

Unfortunately, though the Jewish organizations were given scope for the creation of the national home, and were permitted to purchase land, while the government established order, built roads, hospitals and schools and revised the legal system, the condition of the rural Arab was not accurately watched, and the problem of an increasing indigenous population was not realized. The civil service, recruited from diverse sources and unevenly trained, remained busy with routine duties, and lacked leisure and



knowledge to study the similar problems of population and indebtedness in India and elsewhere. Affairs consequently drifted, and the recent investigations of Sir John Hope Simpson and others have shown that the Arab population now possesses insufficient land to support its already low standard by the existing methods of agriculture, and that the large majority of the cultivating classes are heavily if not hopelessly in debt.

My own inquiries into the position of the Arab villager in Palestine during the late Summer of 1930 led to identical conclusions.

If action had been taken ten years ago to reform, by persuasion or by pressure, the basis of Arab agriculture, and if a system of Raiffeisen credit unions, similar to those of Germany and India, had then been set up, the peasant who now scratches a living out of thirty acres of barley and millet might have been managing an orange grove or orchard with a total holding of ten acres, and have owed a productive debt at a moderate rate of interest, while his surplus land would have been available for colonists. As it is, he farms in the ancestral way, borrows from Arab usurers to pay his land tax, to purchase cigarettes and European clothing or to marry his daughter, and sees before him no prospect but increasing embarrassment. He is in debt, and sinking daily deeper.

It is not too late to retrieve the situation if prompt steps are taken and a sustained policy of development is at once carried out. I found the Arab villager alive to the weakness of his character and his economic position, though uncertain as to the true cure; intelligent and capable of learning, but distrustful of any progressive scheme which will involve borrowing at exorbitant rates of interest; friendly toward the British administrative officers, but uncertain whether Jewish pressure will deter them from the necessary legislative and executive measures which may save the Arab from himself.

The first demand made by the peasant cultivator was for a restriction of his right to mortgage and sell his land, and the laws relating to the alienation of land in certain Indian provinces were repeatedly quoted as an example of the required legislation. The Arab landlord, seldom a farmer and frequently an absentee, no doubt takes a different view, but he does not deserve serious attention. In district after district I asked the British or Arab officers to name a really liberal and open-minded landowner, but without success. There may be elusive exceptions, but, broadly speaking, the disappearance of this class, from whom the Jews are making large purchases, is for the public good. Protection is, however, needed for their tenants, and the decision to subject all land transfers to the approval of the government will make it possible to reserve land for tenants when a landlord sells out to the Jews or other buyers.

The second demand of the cultivator is for cheaper credit. Ordinarily he clamors for an agricultural bank, with little appreciation of what the term means. The former Ottoman Agricultural Bank, which operated on behalf of the Turkish Government and accepted mortgages at 9 per cent, was in reality an institution of little value to the villager. Its clients were for the most part the landlords, few of whom, in Palestine at least, employed the borrowed money for real productive purposes, and a small farmer found difficulty in pledging his little holding and obtaining the petty sums which he might be constrained to borrow from time to time. The bank was too big and his status too low. The Agricultural Bank of Egypt twenty years ago met similar obstacles in dealing with the Egyptian cultivator and has long ceased to make advances to the fellaheen. The Agricultural Bank of Cyprus likewise finds it easier to lend mortgage funds to Cypriot villagers than to recover them when due. The real remedy for the troubles of a peas-

ant is not an agricultural bank but a cooperative credit union or society formed and controlled by him and his fellows in the village, inspected and advised by a trained staff of cooperative supervisors, and financed either by the government or, better still, by borrowing on joint liability from a commercial bank. Such a society will not only lend to a peasant the sums which he annually requires for seed, cattle and other necessary objects, but will check his expenditure on wife-purchase and other occasions of extravagance, and exercise a social control over his repayments in due season. No villager can deceive, as to the state of his crops, the neighbor who passes his fields twice a day.

When this cooperation idea was explained to them, I found the Arabs receptive and shrewd. The weaker spirits might prefer manna from heaven, but when convinced that such bounty was out of the question they appreciated the value of mutual supervision and a social fund. It now remains for the Palestine Government to organize the societies. It would have been best done ten years ago, but better now than never. Trained men will be, however, needed as guides. An Oriental peasantry, largely illiterate, cannot be expected to create and maintain a network of financial institutions, large or small, without guidance, and the example of India, Ceylon and Java proves what can be effected by sympathetic help from the authorities. Steps are now being taken in Palestine to encourage cooperative organizations among the Arabs. The Jews, intelligent and united, have built up a fine edifice of cooperation, and the Arabs will learn to emulate their achievement.

Cooperation for credit, being essentially voluntary, can only benefit those who are moderately thrifty and ultimately solvent. The spendthrift and the bankrupt clearly cannot be admitted to a group which accepts joint and unlimited liability. For the spendthrift nothing can be done, but the

bankrupt may be saved if he is released from an excessive burden and given a new start. Many of the Arabs are in reality insolvent and are living on the sufferance of their creditors, usually the greedy Arab merchants who buy their crops. (The Jew is not often a money-lender in Palestine.) Arab politicians are inclined to demand a general release of such persons from debt, a compulsory composition being made by government with their creditors, and I spent much time in arguing, sometimes with success, that such an act of widespread insolvency would demoralize the farming community, and it would be better to grant relief to those men only who were threatened with the loss of land or liberty at their creditors' instance. The situation is in any case sufficiently grave to call for exceptional treatment, the exact form of which is still under consideration.

The procedure suggested—cooperative credit for the solvent and special relief for the insolvent—will produce its effect only after a term of years. Sudden liberation without personal effort unbalances a debtor's mind, and it will be unwise to travel fast. But these remedies do not cure the whole evil. If Jewish immigrants are to enter the country, and if the Arabs, freed from endemic and epidemic diseases, continue to multiply, an average holding of thirty acres per family is excessive. There will not be enough land to go round, and it is essential to produce more by intensive cultivation in order that ten acres may support a family in tolerable comfort.

There are two lines of advance—irrigation and the growing of more remunerative crops. Large areas in Palestine are covered by rocky hills; still greater expanses are rainless desert. The former tracts, many of which were robbed of their olive trees by the Turkish Army for railway fuel, have to be gradually replanted, but the process of plantation is comparatively inexpensive, for little credit is required,



and the increased produce will barely feed the growing population of the hill villages. There is little scope for colonization in the hills. If, on the other hand, artesian water is discovered in the southern desert between Beersheba and the Egyptian border, the riddle is answered, at least for the next generation. In this region 2,000,000 acres lie idle, and over them roam bands of picturesque Bedouin Arabs who will dislike the idea of permanent settlement but must resign themselves to their fate or emigrate into Arabia. I observed surface springs in several places, but without expert knowledge of hydrographic questions I can offer no opinion as to the possibility of reaching artesian supplies. The Palestine problem has not really been attacked until a thorough survey has been made and borings have been carried to a depth of several thousand feet. The experts of the Jewish inquiry in 1927-28 were not very hopeful. On the other hand, the experience of Queensland in Australia and certain Indian districts is encouraging.

The point at which Arab agriculture can be improved in the immediate future lies in the coastal plain between the central hills of Palestine and the Mediterranean Sea. A belt of light soil runs north and south for more than one hundred miles, which, though hitherto lightly esteemed by the Arab for his grain crops, has been proved by the Jews to be ideally suited to the cultivation of oranges. It is also good for almonds, grapes and other fruits, and a peasant, Arab or Jew, can live on five or ten acres of developed land. Here the Arab is losing ground, and if he is to be placed on a footing of economic equality with his competitor he will need credit and official guidance in the business of development. Some of the new Arab orchards are well planted and well managed, but many are criticized by the agricultural experts for technical defects. In any case the cost of borrowing is unduly high, and, since a small rural credit union cannot undertake the issue of large

loans for land development, an official organization must fill the gap, not operating on the wide scale which will pay the overhead charges of an agricultural bank, but lending to selected individuals through the existing officers of government. Surplus land can be bought from the peasants, who will require no more than ten acres on the intensive plan, or can be taken over in return for a clearance of their existing debts as well as of the development loan. It may be utilized for the settlement of landless Arab villagers or Jewish immigrants.

My principal impression, when visiting Arab villages and discussing the future with the cultivators, was that in the absence of a comprehensive reform of their agriculture the Arabs are doomed. They cannot afford to borrow; therefore credit societies and State loans must be given to them. They have neither the knowledge nor the social cohesion to embark on a broad plan of reorganization without authoritative guidance; therefore the State must take charge. The villager realizes this position, if not spontaneously, at least after brief discussion. And it is satisfactory that the Palestine Government is taking action. But there is no time to lose, and no room for half-measures. It is this prescience of his fate, the perception that he is fighting a losing battle, and that unless he can force on the administration a more constructive policy the soil which he (no less than the Jew) regards as holy will pass out of his hands, that drives the Arab into acts of violence. On every side I was warned that a withdrawal of British troops would be the signal for another anti-Jewish outbreak, and the balance of informed opinion (though here views differed) appeared to be that the Wailing Wall and other religious subjects of quarrel were the occasion but not the real and ultimate cause of trouble. The Arabs are not equipped with economic tools to meet Jewish competition, and will go under unless they make a desperate effort to

change the terms of the struggle. Their effort in 1929 took a wrong form, but was directed to the right end—the winning of public attention to the land question.

The agricultural achievements of the Jews are very fine, and have been commended by every fair-minded visitor. There are failures such as the “town” of Afuleh and some of the hill colonies. But generally speaking the colonists are industrious, skillful and successful. No healthier children can be seen anywhere in the world. And if the land will never repay the cost of purchase and colonization, the Jewish subscribers of the shekel will, no doubt, not grudge the loss. The Arab, on the other hand, enjoys no trained staff of organizers, no cheap credit, and no advance of irrecoverable capital, and he is entitled to at least the first two of these. He may not be as capable as the Jew of drawing the

best from the soil, and possibly will always content himself in consequence with a slightly lower standard of living. But he can do much better than at present, if wisely helped, and he apparently is not prepared to submit to the alternative of economic extinction.

Until the Arab has been placed in a position to help himself, he will, undoubtedly, being an Oriental, an individual of strong passions and only a few years removed from “gun-rule,” continue to indulge in murder and riot. The obvious solution is to give him the necessary help, to provide credit unions and agricultural cooperatives, to advance loans from a State fund for development of his land and to teach him how to cultivate better. Once he is free from crushing debt, he becomes anxious to learn, and will then be a more peaceful neighbor and a more useful collaborator with the Jew in cultivating the soil of Palestine.

## British Policy in Palestine

*The following is the full text of the letter sent by Prime Minister Ramsay MacDonald to Dr. Chaim Weizmann, former President of the World Zionist Organization, and placed before the British House of Commons on Feb. 13, 1931:*

DEAR Dr. Weizmann: In order to remove certain misconceptions and misunderstandings which have arisen as to the policy of his Majesty's Government with regard to Palestine, as set forth in the White Paper of October, 1930, and which were the subject of a debate in the House of Commons on Nov. 17, and also to meet certain criticisms put forward by the Jewish Agency, I have pleasure in forwarding you the following statement of our position, which will fall to be read as the authoritative interpretation of the White Paper on the matters with which this letter deals.

It has been said that the policy of his Majesty's Government involves a serious departure from the obligations of the mandate as hitherto understood; that it misconceives the mandatory obligations, and that it foreshadows a policy which is inconsistent with the obligations of the mandatory to the Jewish people.

His Majesty's Government did not regard it as necessary to quote in ex-

tenso the declarations of policy which have been previously made, but attention is drawn to the fact that not only does the White Paper of 1930 refer to and endorse the White Paper of 1922, which has been accepted by the Jewish Agency, but it recognizes that the undertaking of the mandate is an undertaking to the Jewish people and not only to the Jewish population of Palestine. The White Paper places in the foreground of its statement the speech I made in the House of Commons on the 3d of April, 1930, in which I announced, in words that could not have been made more plain, that it was the intention of his Majesty's Government to continue to administer Palestine in accordance with the terms of the mandate as approved by the Council of the League of Nations. That position has been reaffirmed and again made plain by my speech in the House of Commons on the 17th of November. In this speech on the 3d of April I used the following language:

“His Majesty's Government will continue to administer Palestine in accordance with the terms of the mandate as approved by the Council of the League of Nations. This is an international obligation from which there can be no question of receding. Under the terms of the



mandate his Majesty's Government are responsible for promoting the establishment of a national home for the Jewish people, it being clearly understood that nothing shall be done which might prejudice the civil and religious rights of existing non-Jewish communities in Palestine or the rights and political status enjoyed by Jews in any other country. A double undertaking is involved, to the Jewish people on the one hand and to the non-Jewish population of Palestine on the other; and it is the firm resolve of his Majesty's Government to give effect, in equal measure, to both parts of the declaration and to do equal justice to all sections of the population of Palestine. That is a duty from which they will not shrink and to the discharge of which they will apply all the resources at their command."

That declaration is in conformity not only with the articles but also with the preamble of the mandate, which is hereby explicitly reaffirmed.

In carrying out the policy of the mandate the mandatory cannot ignore the existence of the differing interests and viewpoints. These, indeed, are not in themselves irreconcilable, but they can only be reconciled if there is a proper realization that the full solution of the problem depends upon an understanding between the Jews and the Arabs. Until that is reached, considerations of balance must inevitably enter into the definition of policy.

A good deal of criticism has been directed to the White Paper upon the assertion that it contains injurious allegations against the Jewish people and Jewish labor organizations. Any such intention on the part of his Majesty's Government is expressly disavowed. It is recognized that the Jewish Agency have all along given willing cooperation in carrying out the policy of the mandate and that the constructive work done by the Jewish people in Palestine has had beneficial effects on the development and well-being of the country as a whole. His Majesty's Government also recognize the value of the services of labor and trades union organizations in Palestine, to which they desire to give every encouragement.

A question has arisen as to the meaning to be attached to the words "safeguarding the civil and religious rights of all inhabitants of Palestine, irrespective of race and religion" occurring in Article II, and the words "insuring that the rights and position of other sections of the population are not prejudiced," occurring in Article VI of the mandate. The words "safeguarding the civil and religious rights," occurring in Article II, cannot be read as meaning that the civil and religious rights of individual citizens

are unalterable. In the case of Suleiman Murra, to which reference has been made, the Privy Council, in construing these words of Article II said: "It does not mean \* \* \* that all the civil rights of every inhabitant of Palestine which existed at the date of the mandate are to remain unaltered throughout its duration; for if there were to be a condition of the mandatory jurisdiction, no effective legislation would be possible." The words, accordingly, must be read in another sense, and the key to the true purpose and meaning of the sentence is to be found in the concluding words of the article, "irrespective of race and religion." These words indicate that in respect of civil and religious rights the mandatory is not to discriminate between persons on the ground of religion or race, and this protective provision applies equally to Jews, Arabs and all sections of the population.

The words "rights and position of other sections of the population," occurring in Article VI, plainly refer to the non-Jewish community. These rights and position are not to be prejudiced; that is, are not to be impaired or made worse. The effect of the policy of immigration and settlement on the economic position of the non-Jewish community cannot be excluded from consideration. But the words are not to be read as implying that existing economic conditions in Palestine should be crystallized. On the contrary, the obligation to facilitate Jewish immigration and to encourage close settlement by Jews on the land remains a positive obligation of the mandate and it can be fulfilled without prejudice to the rights and position of other sections of the population of Palestine.

We may proceed to the contention that the mandate has been interpreted in a manner highly prejudicial to Jewish interests in the vital matters of land settlement and immigration. It has been said that the policy of the White Paper would place an embargo on immigration and would suspend, if not indeed terminate, the close settlement of the Jews on the land, which is a primary purpose of the mandate. In support of this contention particular stress has been laid upon the passage referring to State lands in the White Paper, which says that "it would not be possible to make available for Jewish settlement in view of their actual occupation by Arab cultivators and of the importance of making available suitable land on which to place the Arab cultivators who are now landless."

The language of this passage needs to be read in the light of the policy as a whole. It is desirable to make it clear that the landless Arabs, to whom it was intended to refer in the passage quoted,

were such Arabs as can be shown to have been displaced from the lands on which they can establish themselves, or other equally satisfactory occupation. The number of such displaced Arabs must be a matter for careful inquiry. It is to landless Arabs within this category that his Majesty's Government feels itself under an obligation to facilitate their settlement upon the land. The recognition of this obligation in no way detracts from the larger purposes of development which his Majesty's Government regards as the most effectual means of furthering the establishment of a national home for the Jews.

In framing a policy of land settlement it is essential that his Majesty's Government should take into consideration every circumstance that is relevant to the main purposes of the mandate. The area of cultivable land, the possibilities of irrigation, the absorptive capacity of the country in relation to immigration, are all elements pertinent to the issues to be elucidated, and the neglect of any one of them would be prejudicial to the formation of a just and stable policy.

It is the intention of his Majesty's Government to institute an inquiry as soon as possible to ascertain inter alia what State and other lands are, or properly can be made, available for close settlement by Jews under reference to the obligation imposed upon the mandatory by Article VI of the mandate. This inquiry will be comprehensive in its scope and will include the whole land resources of Palestine. In the conduct of the inquiry provision will be made for all interests, whether Jewish or Arabian, making such representations as it may be desired to put forward.

The question of the congestion among the fellaheen of the hill districts of Palestine is receiving the careful consideration of his Majesty's Government. It is contemplated that measures will be devised for the improvement and intensive development of the land, and for bringing into cultivation areas which hitherto may have remained uncultivated, and thereby securing to the fellaheen a better standard of living without, save in exceptional cases, having recourse to transfer.

In giving effect to the policy of land settlement as contemplated in Article XI of the mandate, it is necessary, if disorganization is to be avoided, and if the policy is to have a chance to succeed, that there should exist some centralized control of transactions relating to the acquisition and transfer of land during such interim period as may reasonably be necessary to place the development scheme upon a sure foundation. The

power contemplated is regulative and not prohibitory, although it does involve a power to prevent transactions which are inconsistent with the tenor of the scheme. But the exercise of the power will be limited and in no respect arbitrary. In every case it will be conditioned by considerations as to how best to give effect to the purposes of the mandate. Any control contemplated will be fenced with due safeguards to secure as little interference as possible with the free transfer of land. The centralized control will take effect as from such date only as the authority charged with the duty of carrying out the policy of land development shall begin to operate. The High Commissioner shall, pending the establishment of such centralized control, have full power to take all steps necessary to protect the tenancy and occupancy rights, including the rights of squatters, throughout Palestine.

Further, the statement of policy of his Majesty's Government did not imply a prohibition of acquisition of additional land by Jews. It contains no such prohibition, nor is any such intended. What it does contemplate is such temporary control of land disposition and transfers as may be necessary not to impair the harmony and effectiveness of the scheme of land settlement to be undertaken. His Majesty's Government feels bound to point out that it alone of the governments which have been responsible for the administration of Palestine since the acceptance of the mandate has declared its definite intention to initiate an active policy of development, which it is believed will result in a substantial and lasting benefit to both Jews and Arabs.

Cognate to this question is the control of immigration. It must first of all be pointed out that such control is not in any sense a departure from previous policy. From 1920 onward, when the original immigration ordinance came into force, regulations for the control of immigration have been issued from time to time, directed to prevent illicit entry and to define and facilitate authorized entry. This right of regulation has at no time been challenged. But the intention of his Majesty's Government appears to have been represented as being that "no further immigration of Jews is to be permitted so long as it might prevent any Arab from obtaining employment." His Majesty's Government never proposed to pursue such a policy. They were concerned to state that, in the regulation of Jewish immigration, the following principles should apply, viz., that "it is essential to insure that the immigrants should not be a burden on the people of Palestine as a whole, and that they should



not deprive any section of the present population of their employment" (White Paper, 1922).

In one aspect, his Majesty's Government have to be mindful of their obligations to facilitate Jewish immigration under suitable conditions and to encourage close settlement by Jews on the land; in the other aspect, they have to be equally mindful of their duty to insure that no prejudice results in the rights and position of the non-Jewish community. It is because of this apparent conflict of obligations that his Majesty's Government have felt bound to emphasize the necessity of the proper application of the absorptive capacity principle. That principle is vital to any scheme of development, the primary purpose of which must be the settlement both of Jews and of displaced Arabs on the land. It is for that reason that his Majesty's Government have insisted, and are compelled to insist, that government immigration regulations must be properly applied. The considerations relevant to the limits of absorptive capacity are purely economic considerations.

His Majesty's Government did not prescribe and do not contemplate any stoppage or prohibition of Jewish immigration in any of its categories. The practice of sanctioning a labor schedule of wage-earning immigrants will continue.

In each case consideration will be given to anticipated labor requirements for works which, being dependent upon Jewish or mainly Jewish capital, would not be or would not have been undertaken unless Jewish labor was available. With regard to public and municipal works failing to be financed out of public funds, the claim of Jewish labor to a due share of the employment available, taking into account Jewish contributions to public revenue, shall be taken into consideration. As regards other kinds of employment, it will be necessary in each case to take into account the factors bearing upon the demand for labor, including the factor of

unemployment among both the Jews and the Arabs. Immigrants with prospects of employment other than employment of a purely ephemeral character will not be excluded on the sole ground that the employment cannot be guaranteed to be of unlimited duration.

In determining the extent to which immigration at any time may be permitted it is necessary also to have regard to the declared policy of the Jewish Agency to the effect that "in all the works or undertakings carried out or furthered by the Agency it shall be deemed to be a matter of principle that Jewish labor shall be employed." His Majesty's Government do not in any way challenge the right of the Agency to formulate or approve and endorse this policy. The principle of preferential, and indeed exclusive, employment of Jewish labor by Jewish organizations is a principle which the Jewish Agency are entitled to affirm. But it must be pointed out that if in consequence of this policy Arab labor is displaced or existing unemployment becomes aggravated, that is a factor in the situation to which the mandatory is bound to have regard.

His Majesty's Government desire to say, finally, as they have repeatedly and unequivocally affirmed, that the obligations imposed upon the mandatory by its acceptance of the mandate are solemn international obligations from which there is not now, nor has there been at any time, any intention to depart. To the tasks imposed by the mandate, his Majesty's Government have set their hand, and they will not withdraw it. But if their efforts are to be successful, there is need for cooperation, confidence, readiness on all sides to appreciate the difficulties and complexities of the problem, and, above all, there must be a full and unqualified recognition that no solution can be satisfactory or permanent which is not based upon justice, both to the Jewish people and to the non-Jewish communities of Palestine.

RAMSAY MacDONALD.

# A Museum of Civilization

---

By ERNEST POOLE

*Author of "The Harbor," "Silent Storm"*

---

THE DEUTSCHES MUSEUM in Munich, which covers some nine acres of ground, with nearly nine miles of rooms and halls, is a great house of histories in which the entire record of man's work upon the earth is condensed and dramatized.

Although a single genius conceived the idea of constructing this gigantic drama of civilization, the result is the combined work of countless scientists, industrialists and skilled laborers. Dr. Oskar von Miller, the founder and director of the museum is an eminent Bavarian engineer whose early training contributed bit by bit to the evolution in his mind of this vast educational scheme. From the Electro-Technical Exposition in Paris, where Edison's incandescent lamp was first shown to Europe, von Miller went home and organized the first German electrical exhibit, in Munich, in 1882. Two years later he became the representative of the Edison Company in Germany. In 1903 von Miller laid his idea for what was to become the Deutsches Museum before a gathering of German industrialists, scientists and engineers. The response was enthusiastic, and immediately the forces of industry and labor all over Germany began to mobilize their skill and money. By 1913 the buildings to house the 60,000 exhibits, on a site donated by the city, were virtually finished, but the war intervened, and it was not until 1925 that the museum was formally opened.

It becomes a revelation of what

such a place can be when the average mind, instead of being exhausted in the effort to understand, is constantly stirred by striking scenes from life or the graphic presentation of industrial miracles.

The story is begun in a hall where in maps upon the walls and a big relief model on the floor we are shown the slow formation of the earth's crust during countless millions of years, of the coal and the various ores—raw materials for our industries. Here in a sectioned globe is shown the prevailing idea of the seething interior of the earth, while other charts and models demonstrate the effects of water, ice and wind, the origin of mountains, the formation of sedimentary layers. And in a room adjoining the history of life on earth is set forth in striking pictures, the story culminating with human skulls in a cave of diluvian mankind.

Then primitive man learns how to make fire and to smelt metals out of ore. And so in the mining section begins the long, dark narrative of his labors underground. Here in one of the early scenes a man's head appears from a hole in the ground; he is handing up ore to a man above, while another walks about with a divining rod which is to reveal by its magic power the presence of more metal below. In contrast to this in a room close by is an immense sectioned model showing the shafts and galleries, extending thousands of feet underground, of a mine of modern times; and later, in a room devoted to mine surveying,



the divining rod is replaced first by the hanging compass and then by the theodolite.

This contrast between past and present is emphasized at every turn. Walking through low, rough galleries the visitor finds a miner cutting his way with chisel and hammer out of the rock, as in early days; and then is shown the development of all kinds of mining tools to the powerful chain cutters and pneumatic and electric machines for rotary drilling and percussion in a mine of our present age. Here is an underground canal nearly fifteen miles long, on which in clumsy little boats the ore was once wearily hauled by hand. Later comes a tiny track, on which the coal was drawn in cars by ponies who spent their whole lives underground. And later still come endless chains and electrical and benzine and pneumatic mine locomotives, used for hauling coal and ore today. So, too, from the early processes of extracting from the broken rock the lead and zinc and copper and gold, and of separating the different metals very laboriously by hand, as in California in 1849, there is seen the evolution, through great sieves and crushers, to the modern electromagnetic machine, which separates the metals through the differing responses of each to the force exerted by the magnet as they pass along beneath, each dropping into its pocket below.

But what about human life in the mines? Here is a dramatic picture of a tiny, dark chapel, in which before their descent a crowd of miners are praying for safety from sudden death by floods and fire, by explosions and falling rock. Then comes the development of safeguards up to the present day, including the different methods of timbering chambers and galleries, of freezing or cementing up the quicksand and the dangerous water veins in the rock walls, and of taking water out of mines by means of many kinds of pumps. Next come samples of explosives and a plant for testing them,

and after that the evolution from the dangerous open pit lamps to the electric lamps of today, and of apparatus for breathing in explosive mine air. Here is a miner wearing a mask and with an oxygen tank on his back, walling up a gallery to choke off a fire. And further on, in a great chart, is shown a modern scheme for distribution of fresh air by pneumatic and electric ventilators and tubes.

In all these rooms and galleries visitors, many of them Americans, stand absorbed in this story of industrial progress. I watched one old gentleman who, through gold-rimmed glasses, was intently studying some complicated electric machine lit by little lamps inside. He kept switching on and off the power, to watch it in motion and when still. His daughter tugged at his arm. "Come on, dad," I heard her say. "Mother and I have our packing to do and two big picture galleries before the opera tonight." To which he answered: "Leave me out. This is opera enough for me! It's the most fascinating show I ever saw in my whole life. I don't want any lunch—and tell your mother not to pack. I want to stay in Munich a week."

After the mining section come those devoted to power and metallurgy, where in models, diagrams and moving pictures is set forth the long dramatic history of the production of iron and steel, from a primitive plant in Africa to the tremendous Krupp and Pittsburgh steel mills of the present age. Here is shown the fabrication of rails and car wheels, pipes and chains; the casting and forging of metals in shops and foundries, old and new; the casting of statues and of bells; the development of locks and keys, from primitive Negro wooden locks and those of ancient Egypt to the time locks and safes of today; the evolution of steel hammers, from the small ones worked by hand to ponderous engines driven by water and by steam and compressed air, and the growth of stamps and presses

to modern steam-hydraulic affairs. Here, too, is the development of saws and boring tools and lathes, of tread-mills, windmills, water-wheels—to the turbines of Niagara; and the long evolution of engines to the Diesel engine of our time. And as a climax to all this, the imagination is stirred by an immense allegorical painting representing our mother sun as the origin of all power on earth.

The transport section, which comes next, begins in a spacious lofty hall, where from rude sledges and boats below one looks up to airplanes and the dangling baskets of balloons. Here, again, the long story is told—of sledges, snowshoes, skis and skates, and of wagons, carts and carriages and stage coaches of former days. Next, the swift development of motorcycles and automobiles, from clumsy mechanical carriages to the miracles of our age. And after that comes travel by rail, from the early horse and cable cars to the first locomotive, Puffing Billy, used in an English coal mine in 1813, through various types to the modern fast express with electric power in place of steam. The evolution of roads is shown, from those of the ancient Romans on through the Middle Ages to the city streets and motor highways of today, and the construction of railroads and tunnels, including a section of the Simplon Tunnel. Then come bridges, old and new, of wood, stone, iron and concrete, and river dredging and canals, harbors, lighthouses, beacons and buoys.

So the record of travel by water begins; from rude Eskimo kayaks, dugouts and outrigger canoes, men take to boats with oars and sails and the first little ships that put to sea. A big globe and a series of pictures show voyages of discovery, from those of the early Phoenicians to those of Columbus and the Arctic and Antarctic expeditions of our time. The growth of battleships is traced from the slave-rowed galleys of Rome. Here is a gun deck in action, in a ship

of Nelson's time, and one walks through the passageways of a modern dreadnought, from the bridge to the torpedo room. The great sea battles are seen, from Salamis to Jutland. And going down a staircase, one enters a long grim chamber where lies the original submarine U I, built by Krupp in 1906. In another room is shown how a modern harbor is guarded by mines; then, naval signals and diving bells, with pictures and models of divers at work on the sea bottom.

Next come trade and passenger ships, from the first crude sailing vessels to the stately full-rigged ships of the Yankee Clipper days. Here is the gilded main saloon of a transatlantic passenger ship of 1848. After that the steamers are seen—Fulton's famous boat on the Hudson and the long succession of side-wheelers and propellers up to a huge powerful liner of the present time. One may walk through her passage-ways and look into the lighted interiors of cooking galleys, old and new, of steerage quarters, grill rooms, bars and dining saloons, of sleeping quarters, cabins de luxe, a wireless station, deck tennis courts, and then along a promenade deck, with steamer chairs on the right and on the left a painted sea. Up on her bridge one may stand beside a dummy officer in white looking through binoculars at the harbor of Kamerun. The evolution of marine engines is depicted, up to those of the gigantic motor vessels of today.

In a modern engine room with Diesel engines and furnaces thickly covered with snowy white asbestos and glass wool, a miracle of cleanliness compared to the infernal stoke-holes of a few years back, a diagram upon the wall demonstrates the enormous saving of space through elimination of boilers and coal, the reduction of fuel and labor cost and the increased efficiency. Propellers of all kinds are seen, and a ship in a long narrow tank of water, with an ingenious contrivance above for deter-



mining the water resistance to various shapes of propellers and hulls. This record of mankind at sea ends with an impressive moving picture diagram of a race across the Atlantic between vessels, old and new, from an early sailing vessel to a Zeppelin of our time.

Then comes the long history of the conquest of the air. The flights of various seeds, birds and bats, are pictured, and a map of the globe shows with long red lines the miraculous migrations of small birds each year from Hudson Bay to the Argentine and from Norway to South Africa, over seas and mountain ranges. Here in a kind of a peep show is seen a stork with wings that move so slowly that each motion can be studied, as Leonardo da Vinci used to study such flights. Here is a little model of his flying machine with flapping wings, and pictures of like experiments made by the early pioneers. After countless such failures, the mind of man turned to balloons. The fascinating story goes on to the first ascent of Montgolfiers's balloon in 1783 in France, in his tiny basket beneath the highly decorated hot air balloon that he had made; to Gay Lussac's flight from Paris in 1804, and to the various later types of captive and free balloons and the attempts to drive and steer them, first by sails, and, when that failed, by propellers. So one comes to the dirigible and looks into the engine room of a Zeppelin of today.

Meanwhile, numberless other men were dreaming still of ships with wings and were working on kites and parachutes. Examples of their work are shown; men with enormous pairs of wings—the first glider of Lilienthal, the original planes of the brothers Wright and the swift development to those of Rumpler and Blériot, Grade and Fokker. Next come maps of the air flights of Farman and Blériot, of Zeppelin, Lindbergh and Chamberlain, and finally a map of the world depicting the first mail and travel air routes of the present age.

From transportation the story goes on, in the sections of mathematics and physics, to sun dials, hour glasses and the long evolution of clocks to the electric clocks of today; to weights and measures, the mechanics of solids, liquids and gases, of waves of sound, heat and light, electricity and magnetism, radio activity. All tough subjects, hopeless for the average mind. Yet if most of the visitors can understand but little of what lies behind it all, at least they are keenly interested by the frequent demonstrations of how these abstract sciences are affecting their daily lives. In a dark little booth is given a dramatic presentation of the use of the Röntgen Ray. The development of the telegraph and telephone may here be seen, and also a demonstration of the intricate activities of a multiple switchboard in a city telephone exchange. Wireless telegraphy and the wireless telephone come next, and after that the development of mirrors, prisms, lenses, powerful microscopes, revealing little living worlds that few have ever seen before. Here is shown the evolution of the cinematograph, molder of the emotions and views of hundreds of millions of people today. Then come the telephotograph and the miracles of television in a dark booth near by. The story swings to accoustics, to Edison's first phonograph and the modern gramophone, to primitive African jungle drums and thence to the development of musical instruments, brass, wood and string; the clavichord, spinet and harpsichord, and the modern piano.

In the section devoted to chemistry is a low arched Gothic room equipped with ovens and hearths, an alchemistic laboratory where men brewed poisons and failed to make gold. So begins the history of chemistry, and here again the average mind is stirred by pictures and models showing the effects of discoveries upon our daily lives. Here is the evolution of scents, from the natural perfumes taken from plants and animals, Egyptian, Greek

and Roman cosmetics and perfumes of the Orient, to the synthetic creations and lipsticks of our present age. In a room not far away, above an enormous lump of coal is a "family tree of coal tar products," in several hundred jars and bottles covering one entire wall—dyes, explosives, medicines. And in a room for the housewife stands a large round table covered with dishes demonstrating the caloric values and costs of carrots, cabbages, spinach, apples, bananas, potatoes, fish and eggs and various meats, beer, ale and wines.

After this, in pictures and models, is seen the development of homes, from the prehistoric cave and primitive huts, pile dwellings, tents and wigwams, on to buildings of wood, brick and stone, of steel and reinforced concrete and to the huge apartment dwellings in the cities of our time. A New York skyscraper is here.

The story now goes back to trace the evolution of lights, from pine torches, rush lights, candles and lamps for oil or gas, to the subdued and indirect electric lighting of today. Next is shown the history of fire-places, stoves and ovens, furnaces, steam and electric heating plants, and of refrigeration, from the first crude coolers to the modern electric machine, and of sewerage and water supply. Here are the baths of imperial Rome and later Turkish and Russian baths and the commodious bathroom of a modern millionaire.

Now come the countless miracles of electrical engineering—of dynamos, motors, batteries, convertors and transformers and super-power transmission lines, of Franklin's early lightning rod and Edison's New York power plant. Then the textile industries and the evolution of spinning and weaving to the immense and complicated textile mills of the present age. And in the section of graphic arts, the de-

velopment of writing is seen, from the hieroglyphics of Egypt to the alphabets of Greece and Rome. Here, in a monastic cell of the Middle Ages, is a life-sized monk on his knees, working with tiny brushes and pens on an illuminated manuscript. Here is the little printing shop of Gutenberg in Germany, with a model of his crude hand press. And from that the evolution is shown to the linotype machine and huge rotary presses in a newspaper office today.

So, through miles of rooms and halls, the long grand narrative of civilization is by degrees unfolded to throngs of people, rich and poor, wise and simple, young and old, to crowds of children come from schools, to people from all over Europe, hundreds from America and even a few from the Far East. And at the end, high up at the top of this great house of histories, they come to the Planetarium, where in a dark chamber they look up at the lighted dome of the heavens. For, by means of a rotary projector in the centre of the room, they may see in the wheeling dome above a vast moving picture demonstrating the relative movements of the planets and the stars. The revolution of our sun, the various phases of our moon and the loops of the planets in our group, all are speeded up for them and made more striking to their eyes, showing in a few minutes the careers of mighty worlds through space in the course of hundreds of millions of years! And, except for the voice of the lecturer, who puts it all in simple terms, not a sound is heard in this chamber of night. For the human family here has come from the proud history of man's labor on the earth to his tiny place in the universe, and feels humble. A fitting climax, for this museum of miracles is a veritable cathedral to these industrial times.



# "Czar" Reed: Speaker of The House

---

By SIMEON STRUNSKY

*Editorial Staff, The New York Times*

---

WRITERS of the late popular school of treat-'em-rough biography, as they scanned the album of America's past for established reputations to be candid about, must have experienced keen disappointment in the last twenty years of the nineteenth century. The political scene during this period shows two leading actors who, on the basis of the photographic evidence, would be simply made to order for the deflation experts. The hunter after stuffed shirts can almost be heard crying aloud with joy at the upholstered expanse in the two likenesses before him.

One of the men was six feet three inches tall and his normal weight was 250 pounds. The other was shorter by several inches but equally massive. If the photographs happened to be full-length, as was not unlikely, the delighted satirist would find himself gazing at acreages of black Prince Albert worsted, billowing and wrinkling in every direction, particularly downward. Big heads terminating in manifold chins and poised on short necks which descended into great buttresses of shoulder and chest—you can see the biographer's hand itching. One sharp pen-thrust at the two padded colossi and they would be done for.

That yearning, however, must have been helplessly followed by a sigh and a shake of the head as the deflationist passed on to easier game. At his very youngest he could not help knowing

that if he dug into the soft flesh before him he could not fail to reach two of the sturdiest backbones in American history. The shorter and mightier spinal column would belong to Grover Cleveland. The longer and sufficiently rugged set of vertebrae appertained to Speaker Reed.

Mr. Cleveland has so completely established himself as a synonym for character and courage that it is odd to find him overlooked when people ask why personality in the United States is a disqualification for the Presidency. The nomination of William McKinley instead of Thomas B. Reed by the Republicans in 1896 has been accepted as in the order of nature. Reed thereby became part of an American tradition which included Blaine, Sumner, Clay and Webster. The eminent authority of Lord Bryce has been cited in support of the depressing view that first-rate men need not apply at the White House. Yet the fact remains that the Democrats twice in eight years elected that kind of man. There is no unanswerable reason why Tom Reed's rich equipment of personality should in itself have been fatal to his Presidential ambitions.

Further than this we cannot go; just as we cannot affirm that in Grover Cleveland it was character and courage alone that carried him to the top. The utmost we can say is that these gifts did not stand in Cleveland's way. The decisive factor in the case

of both men would be chance. Cleveland was a man of destiny and Reed was not. The Democratic leader came along at the right moment in the fortunes of his party and of the nation. Reed had the misfortune to run up against a man of destiny in the person of McKinley. Professor Robinson in his recent life of Reed\* takes note of the reasons that have been marshaled to explain Reed's failure at the Republican National Convention in 1896. He had a genius for making enemies. In Congress he had disdained to build up a personal following. He refused to canvass rich men for campaign contributions. More important than any of these factors, in its influence on Reed's candidacy, was, of course, the extraordinary three-year campaign conducted by Mark Hanna in behalf of McKinley. But all of these things, says Professor Robinson, counted little against the operations of destiny manifesting itself, as it often does, in ironic form.

Mark Hanna did not make McKinley. The latter was made by fate, using Speaker Reed as its instrument. It was Reed who in his first Speakership put McKinley at the head of the Ways and Means Committee and so attached McKinley's name to the tariff bill of 1890. Its nearer consequences were a Democratic landslide in the Congressional elections that same year and a second term for Mr. Cleveland two years later. But the hard times after 1893 brought an enormous revulsion of feeling. Responsibility for business depression was ascribed to Democratic tinkering with the tariff. The McKinley schedules so overwhelmingly rejected in 1890-92 became the hope of a nation three years later. Nothing could have withstood the groundswell toward McKinley as the advance agent of prosperity. Mark Hanna rode a winning tide.

Reed's Presidential aspirations, then, were not ruined by his refusal to turn

for campaign contributions to the sources that Mark Hanna was tapping with the most gratifying results. But Reed's attitude in the business of campaign money does provide a very definite clue to his character. When he declined to place himself under obligations to wealthy men and corporations, or to enter on the familiar bargains by which the allegiance of convention delegates is acquired, he was actuated probably by scruples but certainly by pride. The crusty Bourbon gentleman from Maine would have victory on his own terms or not at all. In Congress he had not bargained his way to leadership but had fought his way through. It may be difficult to think of a man taking a perverse satisfaction in throwing away his chances for the Presidency, but it is not an impossible thought to entertain of the Reed who had never hesitated to please himself, let the chips fall where they might. In the matter of pre-convention money in 1896 it was unquestionably Reed saying to himself that he would be "goldarned" if he would go for favors to Banker This or Boss That. It was ethics strongly reinforced by fastidiousness.

Reed was in his innermost being an aristocrat. In his case nature had permitted herself the exciting experiment of creating out of the average soil of Portland, Me., and incorporating into a great, hulking, plebeian body, and embellishing with a Down-East super-nasal drawl that in its higher range attained the effectiveness of a file across an iron bar, and dedicating to the rough-and-tumble service of politics under representative institutions a spirit essentially undemocratic, aloof, haughty, impatient, contemptuous, arrogant, but also, on the affirmative side, bold, incisive, intelligent, intellectual. Reed compelled admiration much more easily than affection. His bitter tongue, falling with the impartiality of the rain on friend and foe, was not the only reason why the average man found it hard to warm to him. Of course, that is relatively

\**Thomas B. Reed: Parliamentarian.* By William A. Robinson. New York: Dodd Mead & Co., 1930. \$5.



true. No man could rise to be leader of his party in Congress and be utterly unapproachable. But Reed made a very good try at that ideal. His partisanship was notorious. Yet his savage language concerning the Democratic party and Democrats really had a wider application than the immediate enemy. Partisan invective was an opportunity to voice a splendid contempt for the generality of mankind, whether Democratic or Republican.

Reed had little social life in Washington for twenty-two years. His leisure hours were chiefly spent in the strikingly non-Congressional occupation of reading. Nature had fashioned on excellent disguise for this Maine patrician in his 250 pounds of democratic bulk. If one searched for the very negation of the aristocratic idea it might be Tom Reed of a sweltering Washington Summer in his tow suit, which stretched and gaped and sweated and wrinkled into a horror. In such raiment Reed would heave himself to the front seat of a horse-car and pull out of his pocket Théophile Gautier's *Mademoiselle de Maupin* in the original tongue. A political leader of the '90s who loved his own company best, haunted bookshops and read wicked French novels is a picture to pause over. It raises the conjecture that Henry James and Henry Adams were not the only native sons at war with their American environment in the last two decades of the nineteenth century. In Tom Reed is discernible more than a touch of the fastidious separateness of the author of *The Portrait of a Lady*, of the disenchantment of *The Education of Henry Adams*.

When Reed resigned his seat in Congress and retired from public life in 1899, three years before his death, it was not solely the result of frustrated ambition, or of sharp disgust with the new policies and destinies upon which the country had embarked in the Spanish-American War. One suspects a weariness of this whole

amusing, absorbing, but ultimately meaningless business of democracy. From the beginning of his Washington career he had shown a complete indifference to the traditional duties of a Congressman with respect to his constituency. He lived up to his own lofty conception of a people's representative, with the proud independence of a high-caste British M. P. toward the electors who were privileged to enlist his services for the nation. "During three and twenty years of political life, not always peaceful," he said in his farewell address to his Portland constituents in 1899, "you have never questioned one single public act of mine. Other men had had to look after their districts, but my district has looked after me."

Reed thus asserted himself to an impressive degree as an Old World spirit in a New World setting. He showed more than a trace of the late Georges Clemenceau. He had the latter's wit and pungency, his cynicism, his brutal frankness, his disillusionment, and something, too, of his genius for hate. Throughout his public career he was at odds with the United States Senators from Maine and with the national leaders of his party. He despised and distrusted James G. Blaine and spoke of him as "the gentleman Sinbad carried." Of Benjamin Harrison he wrote early in 1892, anticipating Harrison's defeat in November: "My sorrow has been mellowed by philosophy. If we can't have a President at all we certainly can't have Harrison. Let us not forget this lining of German silver which a contemptuous Providence has flung at us with the cloud." Earlier he had said of Blaine and Harrison: "The Lord gave us B. and H. and the Lord will take them away." He did not visit the White House under McKinley.

Today the Congressional battles which won for Reed a national reputation with the title of czar have little meaning. But they are a revelation of the man. Reed entered Congress in

1877 and sat till 1899. Over three of the eleven Houses he presided as all-powerful Speaker, but that was beginning with 1889. During his early years party control of the House was by slim majorities either way. This enabled the opposition to block progress by abstaining from voting and preventing a quorum. Reed was a very good partisan, and the iniquities of the "disappearing quorum" became intolerable only when practiced by a wicked Democratic minority. Still, there can be no doubt that he attained in time to a sincere conviction that it is a denial of representative government for a majority to be reduced to helplessness by a minority. As Speaker of the Fifty-first Congress, on Jan. 29, 1890, Reed found himself without a quorum in the presence of 163 non-voting jubilating Democrats. Thereupon he proceeded to count a quorum by naming for the House Journal enough prominent Democrats to constitute with the Republicans a majority of the House. It took three days of near-riot to clinch the victory. As leader of the Republican minority in a subsequent Congress, Reed had the joy and satisfaction of springing a disappearing quorum upon the Democrats and compelling Speaker Crisp, after long hesitation, to swallow the Reed quorum-counting medicine.

The designation and style of czar and the opprobrium appertaining to it, first appeared in the course of the quorum fight. It was confirmed to him when the celebrated Reed rules transferred the effective powers of legislation from the House membership to the House machine with the Speaker at the throttle. It will thus be noted that the Reed autocracy weighed down more heavily upon his own fellow Republicans than it did upon the Democrats as a party; when the latter controlled the House they, of course, threw away the Reed rules. The climax of Reed's absolutism came during the last year of his service in Congress and upon the issues of Cuban freedom, war with Spain and terri-

torial expansion. Reed had fought the original battle of the quorum in defense of the elementary right of a legislative body to legislate. Eight years later he used the full powers of the Speakership to prevent his own party from legislating. By the simple device of omitting to appoint most of the regular House committees, he left hanging in the air measures which had passed the Senate and of which he disapproved. For three weeks in May, 1898, he would not permit Hawaiian annexation to be brought up, and yielded only when threatened by a Republican caucus. The resolution passed by 209 votes to 91, the majority vote nearly solid Republican.

Reed's widest fame today is not that of statesman and party leader but of a personality. He naturally had a hand in many important pieces of legislation, but his name is not associated with any single great measure. His innovations in House procedure have been largely undone by time. The revolt against "Cannonism" in 1910 stripped the Speakership of the absolute power with which Reed had invested it. If the House today is still a machine-controlled assembly, particularly by contrast with the highly deliberative Senate, it would be due, among other factors, to its own increase in size and to the democratization of the Senate by popular election.

But millions of Americans who remember dimly, if at all, the Reed rules and the Reed Presidential boom, know the author of many winged words. It is odd but true that Reed has incomparably many more good stories in circulation than Mark Twain. With Reed, as Professor Robinson observes, the problem is to know where to stop quoting. He was master of the rapier and the bludgeon. Best known of all is, of course, his reassuring reply to Springer of Illinois, who declared that he would rather be right than be President: "The gentleman need not worry, he will never be either." Almost as cele-



brated is his little posy to Joseph H. Choate, who had remarked in the course of a general conversation that as he looked back on his life he had nothing to regret or to be ashamed of. Some one in the company said he wished he could say as much, and Reed demanded, "Why don't you say it? Choate did."

Professor Robinson tells of a Congressman who consulted Reed on what to include in a memorial address on a late member of the House. "Anything but the truth," advised Reed. His flashing sallies ranged from savage and lacerating to the impersonally cynical and down to the mildly ironic. He told a New York audience: "Your friends sometimes go to sleep, your enemies never do." Justifying his vehement opposition to imperialist expansion he wrote: "I already have more country than I can love." In 1889 he wrote to Henry Cabot Lodge thanking him for a copy of the latter's *George Washington* and commending its departure from tradition: "It comes to me like a discovery. He [Washington] has always been associated in my mind with St. Paul and John M. Mead and Adoniram Judson and other like persons with whom I wished to be on respectful terms but with whom I never intended to associate."

Reed in his more serious moments was master of a style that surpasses his brilliant epigrams. When his words carried weight behind their bite, as they frequently did, he wrote distinguished prose. His gift for trenchant utterance was in play from his early years in Congress. He is arguing on the House rules in 1882: "The very powers which the House is exercising cannot be used to destroy that power. There is no such thing as suicide in any provision of the Constitution of the United States." He is addressing the final session of the House which had fought the battle of the quorum and the rules and had refused him the traditional unanimous vote of thanks: "What we have done is in large meas-

ure political. Whatever is political rouses the sternest, the most turbulent, the most unforgiving passions of the human race." He is taunting a Democratic majority at the beginning of a session: "If I could by some miracle transfer to my audience the wisdom and experience they will have at the end of the session, I would not have the present hopeless task."

Authors of textbooks in English composition and rhetoric will look far to find better prose than the longish colloquy quoted by Professor Robinson from the tariff debate of 1888, between Reed and Wilson of Minnesota. Why should poverty be compelled to pay tribute to wealth?, Wilson demanded, and Reed replied that the Minnesota man was begging the question. Wilson pressed for an answer:

Mr. Reed: If the discourse of the gentleman from Minnesota did not illustrate a great many more things, I should not feel it at all worth while to reply to his oft-repeated question. He wants to know why poverty is taxed to pay money to wealth; he wants to know why this is so, and he has been unable after two days of consideration to comprehend that the question implies a statement, namely, that poverty does so contribute. He assumes that it does and then wants to know why. Can he not see the absurdity of asking me to tell him why a thing is so when I asseverate with all my voice that it is not so? If he believes that it is so, he ought to give the reason—not I. I believe it is a lie, and therefore I am unable to give any reason for it.

Mr. Wilson: Can you not answer the question?

Mr. Reed: \* \* \* Now, if we prove it by figures, if we prove it by theory, if we prove it by the common sense of mankind as shown by the general adoption of the doctrine, it seems to me that even the gentleman from Minnesota might, by giving days and nights to the matter, get some glimmering of the idea connected with it.

This impresses one as superb English employed in a doubtful cause. Reed's well-deserved reputation as a wit will outlive his fame as a statesman. His fame as a wit should not be allowed to eclipse his very high merits in the straightforward use of the mother tongue.

# The Scourge of Famine In China

---

By LINDSAY HOBEN

*Editorial Staff of the Milwaukee Journal*

---

FAMINE has been known in China since historical times dawned. The struggle for food has been so bitter that even the Chinese phrase of salutation, "Have you eaten?" or "Have you had rice?" is a testimonial that there have been many times when the Chinese have not eaten. Every year some province of China has famine. More than 1,800 famines have been recorded for the whole country since 108 B. C., according to Chinese records, and semi-historic mythology before that time tells of terrible famines.

The Chinese themselves do not help famine sufferers. Their attitude is born of centuries in which famine has swept through the land. In Manchu times the government did attempt to aid famine survivors by remitting taxes, and walled cities used to have reserves of grain. But now, as Dr. George B. Cressey has pointed out, "man has so overcrowded the land that little margin can be accumulated for bad years." Centuries ago the Chinese adopted the attitude of "Heaven wills it," when famine came. And they believe that man can not interfere with the will of Heaven.

The foreigner is tempted to think that the Chinese are inhuman when they pass by unconcerned as their neighbors lie groveling in the last stages of starvation. They are, of course, calloused by the bitter centuries. This callousness shows itself

in the very social attitude which is completely contrary to the Western "Good Samaritan" tradition. If a Chinese should aid a starving person he would be socially responsible for the burial expenses should the person die, or for maintaining that person as long as he survived.

Chinese famine is a most ghastly spectacle. Its horror is the same regardless of one's theories of famine relief or of famine prevention. In the Summer of 1929, when the present terrible famine of North China was already under way, the writer traveled 500 miles northwest of Peiping with international relief workers. This is the picture of famine along the border of China and Inner Mongolia as he found it. It had not rained for three years in the ancient mud-walled city of Saratsi in Suiyuan. International famine relief was engaged in an irrigation project which has since resulted chiefly in a bumper crop of opium. The Salvation Army had 10,000 persons in pens like stockyards. The sufferers were urged to lie down, not to exert themselves, to save energy. They were fed four ounces of millet a day. But there were many more tens of thousands not fed at all.

Here was a putrid body in a mass of rotting rags. He had raised his hand feebly three hours before as he lay in the filth at the side of the Labor Market street and huskily muttered in Chinese, "Help me, big, old



grandfather, for I have had nothing to eat since—" Now he was dead, he and ten others along this street alone. Four other living skeletons were bending over his body seeking scraps of twine, a bent nail—the famine victim's entire worldly possessions. And the living who shuffled by in the ankle-deep dust pressed their fingers to their noses, not because of the stench but to keep the dead man's spirit from entering them.

In another street, in the glare of the Mongolian sun, lay a fly-covered heap of rags and torn sheepskin. It stirred. It was a starving man, too far gone to brush the vermin away. Passers-by took no notice of the living corpse, for another and another lay along the street. A plump Chinese baby—the son of a merchant—sat prattling in the dust a few feet away from the dying man. Near by a crowd of forty clustered about a checker game on the ground. Vendors hawked their unappetizing imported foodstuffs for the fortunate who still had money, while almost underfoot the starving ceased to twitch—and died. No Chinese aided the dying. They knew it was futile.

Then came the municipal carts. Bodies were loaded in and a patient ox or donkey pulled the jolting vehicle with its solid wooden wheels out through a city gate, where shallow ditches received the dead. A few inches of parched earth sufficed. The next day the dogs dug up the bodies, consumed the little remaining flesh and thus deferred starvation for themselves. Outside the wall was a tiny bog with green grass and a few spindly trees. Here lolled famine sufferers in the dazed state that precedes complete collapse. They were largely deadened to pain. The trees were stripped of leaves. The hungry had eaten them. It was the beginning of the end. The stomachs were bloated. They could not linger long.

It is a relentless cycle, this famine. Drought. Food dwindles. Roots are eaten. Mud balls and chopped straw.

Hope is given up. Everything is sold, even the timbers from the mud huts. Wood is valuable in this nearly treeless country. The desperate wandering begins. Victims try to reach the next town and the next. Many die by the way. But those who reach the next town die there. This famine belt—it varies from year to year—extends hundreds of miles through Kansu, Suiyuan, Honan, Shansi, Shantung. One rides out through the country on a Mongol pony and finds gaunt, deserted villages. Not a human being is seen. Not a dog prowls the ruins. There are not even bandits, for there is nothing to prey on.

One of the ghastly things about famine is the silence, even where the dying people are. There is no noise. There are no crying children. Hungry people may riot and break windows in the Occident. Starving Chinese seldom struggle. Babies do not wail. The victims stand or sit or lie like bewildered beasts at a dried-up water hole in the jungle. They are expressionless. There is not even appeal in their dying faces. Why struggle? Famine is famine. Has the race not learned that through the centuries? Are the people not helpless pawns in the hands of Heaven? Heaven has willed that it shall not rain. Prayers have been said. Paper money has been burned. Still it does not rain. So those who have food eat, and those who have not, die—except when the "foreign devils" collect money and send food. The Chinese aid to international famine relief is passive at best. Occasionally free freight is granted or grain is not seized by an army. That is about all.

Typhus fever usually rages at a time of famine. Dysentery takes its thousands. And another epidemic accompanies the starvation, the forced sale of children and women. One turns a corner in a famine town. Four men come swinging down the street in their long robes. They are buyers of women and girls—sometimes boys. They are seeking bargains. Famine

brings low prices. Boys cost as little as \$2.50. But girls of 12 to 20, even in famine times, cost from \$25, which is low, to \$150. They are bought for wives or concubines or prostitutes.

Conditions such as these are, unfortunately, not caused by infrequent emergencies. In a report for the American Geographical Society, Walter H. Mallory writes: "The normal death rate may be said to contain a constant famine factor. In China the birth rate is abnormally high, as is also the death rate, facts which bear out Malthus's theory that the population is pressing on subsistence and reducing the standard of life. The positive check is operating, for the population tends to increase faster than the means of support justify, and is held in check only by famines, disease and war. The inhabitants are ill fed, insufficiently clothed and oftentimes without proper shelter. \* \* \* No permanent solution of the problem of famines in China is possible until the people are content to regulate the size of their families."

There are few, if any, indications that China is nearing a change in her social outlook which might allow of limited families. Birth control clinics, supported by American organizations in Peiping and other large cities, seems as yet too ineffectual for serious consideration. The fecundity of China's inhabitants is apparently unlimited. The urge for male descendants, with the ensuing accident of unwanted girls, is overpowering. Ancestors must be worshiped. Family graves must be kept. Parents must be supported in old age. Many babies are born, few survive. But, alas, so many survive that famine becomes a natural supplement of other factors in the death rate.

Ancestor worship is a double-edged sword, each side of which affects the famine question. Not only does it cause the maximum number of children to be brought into the Chinese family, but the perpetual keeping up of the graves has removed from culti-

vation thousands of acres of much needed farm land. Often it is the best land, since necromancers choose the grave site and it is frequently placed in the middle of the best tiny field. It is more important to the Chinese that an ancestor be unmolested than that a few more square feet be used to keep starving folk alive.

Faced with such an apparently hopeless situation as this, the Red Cross recently made the decision to cease Chinese famine relief work. "We believe that China should be permitted to work out her own salvation. China's population will be double its present total by the end of the century, unless the normal increase is checked by famines, epidemics and wars. \* \* \* The nation seems to be approaching a period where her land cannot support her people. \* \* \* In these circumstances foreign relief can do little."

This was part of the statement of explanation issued on Sept. 27, 1929, which brought a storm of protest from pulpit and platform. Nevertheless the decision of the Red Cross has been supported and corroborated by the best informed experts. John Earl Baker, adviser to the Chinese Minister of Railways, director of American Red Cross Famine Relief in 1920-21 and at present director of Relief Operations, China International Famine Relief Commission, expressed his doubts of famine relief thus: "Nearly half a million dollars were appropriated for the relief of the Hunan hill dwellers. They were saved in large numbers during 1922; they thrived in 1923, and in 1924 they raised a good crop—of babies as well as grain; but in 1925 they had drought again. Is it any use? Is not the self-denial which contributed these half millions for relief both futile and foolish?"

Mr. Baker quotes Tuan Ch'i-jui, Premier under President Li Yuan-hung, as saying "there are too many Chinese people." "This," Mr. Baker concludes, "has been the traditional attitude of Chinese rulers and of the



Chinese people for centuries. The Malthusian doctrine was believed by the Chinese before the Western nations knew the letters by which to spell the name of Malthus."

H. B. Elliston, an official of the Chinese Government Bureau of Economic Information, even suggests that such endeavors as medical missionary work interfere with one death-rate factor for which increased famine may eventually have to compensate. "What is the good," he asks, "of saving people from disease if finally they have to starve to death in the unequal striving for existence which is the constant battle of the majority of the present-day Chinese?"

Speaking of famines as one of the "atrocious correctives to overpopulation" in China, Hallett Abend in his recent book, *Tortured China*, says: "What would happen to the rest of the world under the pressure of China's population, with conditions of peace, plenty and sanitation, is a grave problem." Speaking of the detached attitude of the Chinese toward famine, Mr. Abend says: "Perhaps this is only natural, for it has been estimated that even when there is no famine in China fully 2,000,000 Chinese die annually from starvation."

The public has contributed untold millions of dollars for relief, but famines continue to be a normal factor in the Chinese death rate. Incessant warfare and political chaos have been but irritants, intensifying the distress. They have not been fundamental causes of famine.

China, in many parts, is naturally one of the most inhospitable lands for human life. It has about 2,000,000 square miles of arid, practically uninhabited country, which never can support more than nomad populations. The good and fair lands of China are already intensely cultivated. Yet there are but .43 acre per person for the 485,000,000 Chinese in the twenty-eight provinces of China, omitting Outer Mongolia and Farther Tibet, which are arid wastes. These

figures were compiled by Dr. George B. Cressey, School of Geography, Clark University. Other figures vary, since all Chinese figures are little more than guesses.

D. K. Lieu of the Chinese Bureau of Economic Information has estimated that it would take 4.7 acres to produce enough for a family of five—the average Chinese family. But he added that 33 per cent of the holdings were less than one acre and 55 per cent were one and one-half acres or less. So the struggling farmer has to raise more than one crop a year when possible. But in North China this is exceedingly difficult even in years of good rainfall, because the growing season is only four to six months. Often the farmers have to eat weeds as a supplement to their millet, wheat or *kaoliang*. There is comparatively little rice in North China. The peasantry are undernourished even in normal times. Even when actual famine is not raging, thousands are dying from disease due to weakened conditions.

Colonization of Manchuria has often been suggested as a remedy for Chinese famine. But Manchuria, which has absorbed between 20,000,000 and 24,000,000 Chinese since 1905, could not possibly accommodate more than double or three times that many more. Manchurian colonization offers no solution, merely a temporary palliative, such as the gruel doles of the foreign famine relief organizations. During the last century, and more particularly during the last several decades, millions of Chinese have migrated to the East Indies as well as to Manchuria, the few places left open to them. The East Indies are not trying to stop the influx. But despite this safety valve on the population pressure, millions have starved to death from famine.

Reforestation has been championed as a famine preventive measure. This overlooks the fact that the pressure of population, demanding more and more land for cultivation, has been

the chief cause of deforestation. To be sure, there are stories that Yih, 4,000 years ago, destroyed forests to kill wild beasts. Marco Polo repeated this. But the Chinese have known forestry and its benefits for centuries. Where is one to plant trees in a country where the land is already so crowded that human beings cannot eke enough from it to keep alive?

Irrigation seems to offer as little hope of famine relief. The Chinese have been irrigating since Greece was barbarian. Urged by their expanding population, the Chinese have reclaimed vast lands in the coastal plain which, owing partly to the silting in of rivers, are now below the streams. Some rivers are carried by dikes many feet above the level of the fields and when floods come the farms are inundated. Millions suffer and die.

Edward Thomas Williams in *China Yesterday and Today* gives this dismal picture of the Yellow or Hwang Ho River Valley—in general the worst famine area of today: "The whole valley is one that from ancient times has been afflicted alternately by flood and drought. History records many floods since the days of Yü the Great, who reclaimed the fields from the overflowing waters in 2250 B. C., and many droughts have brought famine to the people since Tang the Completer in 1761 B. C., after seven years of crop failure, proposed to offer himself as a victim to appease the wrath of God and so, it is believed, brought about the long desired rains."

One of the most discouraging things is the manner in which the fecundity of China undoes, in a few years, any temporary relief due to irrigation or wells. In parts of Shantung wells were sunk by foreign relief organizations during past famines. The result was an immediate increase in the population until the previous ragged edge of misery was reached. When the wells go dry now, in times of exceptional drought, there are more to die than there were before.

A few years ago optimists thought that the edge of Inner Mongolia could support more people. Some migrations took place. But the famine which the writer has described, and which the Red Cross decided not to relieve, has proved that the migrations were but from frying pan to fire. The relentless hand of nature is pushing life the other way. Central Asia is drying up as it has been for thousands of years, probably ever since the last ice sheet receded toward the Pole. The fringe of desert and of country where it rains but a few inches a year is moving southward from Mongolia into China. The persons who settled along the edge are now dying by the hundred thousand. Regions that only a hundred years ago supplied grain to Peiping can no longer support the local population. China has less arable land each year. The writer has traveled through this country—both at the edge of China and Inner Mongolia and in Russian Turkestan north of Persia and Afghanistan where nature's gigantic desiccation is taking from man millions of square miles which once had sufficient rainfall to support agricultural life.

The famine of 1877-1878 claimed 9,500,000. Unestimated millions died from 1887 to 1889. In 1911 about 2,000,000 died, according to one estimate. There were bad famines in 1916 and in 1920. In the latter 8,000,000 died. In 1922 Dwight W. Edwards of the International Famine Relief Committee reported 20,000,000 "destitute." And in the present famine the China Famine Relief reports 5,000,000 dead up to early 1930, with 2,000,000 more estimated to have died up to the end of 1930.

What will prevent famine next year and the year after that? And in fifty years, a century, or in the coming millennia? Will millions of dollars from America and Europe help? Or must China face her population question and, as the Red Cross suggested, "work out her own salvation"?



# Progress of America's Inland Waterways

---

*By* UTHAI VINCENT WILCOX

---

THE latest chapter in the story of the inland waterways development is now being written to the tune of vast expenditure of public money, the pressure of politics and demands for economic relief in transportation rates. The initial Congressional appropriation bill on the present fifteen-year Federal program amounts to \$145,000,000. Still larger sums are asked for.

A few years ago there was practically no traffic on the lower Mississippi; even in 1919 the tonnage was negligible. On the upper reaches of the Ohio at Pittsburgh, however, there has been an awakening. Traffic reports show that before the recent opening of the channel to nine-foot draught barges carried 21,000,000 tons of freight.

River traffic means equipment. In a recent compilation of inland waterway freight lines the transportation division of the United States Department of Commerce found in operation 200 common carriers, 98 contract carriers and 187 private carriers. These companies own approximately 4,500 barges and 1,300 units of propelling equipment having a total value of \$150,000,000. During 1929 the shipyards of the country constructed 410 barges and 49 units of propelling equipment. There has been a steady increase in this form of construction.

The development of waterways has become progressively more active during the last ten years—since the war

emergency brought water transportation into sudden, though limited, use. The rise in railroad freight rates has also acted as a stimulant. The more important developments in the movement are: (1) Channel improvements on the Mississippi and Ohio Rivers; (2) the imminence of the formal opening of the Welland deep ship canal connecting Lake Erie and Lake Ontario through Canadian soil; (3) the prospect of an early move by the Canadian Government looking to further progress on the St. Lawrence route which would permit oceangoing vessels to penetrate to the Great Lakes.

The developments proposed in the new rivers and harbors bill in Congress constitute the first program of general extension since 1927. Among its provisions is one transferring the Erie and Oswego Canal system from New York State to the Federal Government. The bill has been passed by the House and awaits action by the Senate. Two other trends are important: the enthusiastic support of inland waterway projects by the Hoover Administration and the current re-examination of waterway policies by organized business as represented by the Chamber of Commerce of the United States. The nation apparently has committed itself to a program of extensive construction of river and canal waterways which is designed to continue through this decade and indefinitely beyond. The cost will an-

nually approximate \$65,000,000. But the development of a great inland waterways system is bound to have a far-reaching effect. There are details to be considered, each detail important to some industry, to some section, to some group. It is not an easy matter to sift the arguments and the claims concerning the economic wisdom of developing our waterways with public money.

The systems of inland waterways for the United States are: first, in point of actual, practical use, the Great Lakes, which constitute the most traveled inland seas of the world. The outlets are the St. Lawrence River and the New York Barge Canal and the Hudson River. Rivaling the Great Lakes system is the Mississippi with its tributaries. The main trunk of this system is from New Orleans to Cairo, at the mouth of the Ohio River. The great Ohio branch leads to the Pittsburgh industrial region, the Essen of America. Another great branch follows the Illinois River and canals to Chicago and the Lakes, with extensions to St. Paul and Minneapolis. On the west is the Missouri River to Kansas City, Sioux City and beyond. There are other feeders: the Tennessee River affecting both Western and Eastern Tennessee and Northern Alabama, the Cumberland River in Northern Tennessee and, across the Mississippi, the Arkansas and Red Rivers.

Second to the Great Lakes and the Mississippi in national importance is the Intracoastal Waterway which, skirting the Atlantic Coast, is protected against the uncertainties of the ocean. This runs from Boston to New York, to Philadelphia, Norfolk, Beaufort, N. C., and thence to Florida. Eventually it is planned to reach the Gulf and then on to Mobile, New Orleans and Corpus Christi, Texas. Although this waterway is the least completed of the great systems, it is in use between Boston and Beaufort except for the thirty-mile bottle-neck canal across New Jersey. The canal

from New Orleans to Corpus Christi is well on the way to completion. Ultimately it is proposed to complete a belt line around the whole eastern half of the United States. This would run from the Great Lakes by way of Chicago to New Orleans; by coast around to New York and then by the Hudson River and New York canals to the Great Lakes, or to the St. Lawrence by way of Lake Champlain.

Of more localized importance for individual areas of the nation are the short rivers running into the Atlantic and the Gulf and the Pacific. The Warrior River in Alabama, for instance, which runs from the Birmingham industrial region to Mobile, is a feeder to the Mississippi and intra-coastal units. Although still in the project stage, the Alabama River serves a similar purpose in the industrial areas between Mobile and Northeastern Alabama as well as Northwestern Georgia. The Appalachian and Chattahoochee Rivers are marked for improvement from Columbus, Ga., to the Gulf. There is, too, the proposed slack-water navigation improvement of the Mahoning and Shenango Rivers in Western Pennsylvania and Eastern Ohio which will serve the Youngstown district. The two streams which wind across this territory unite near the central part of the district to form the Beaver River, which thence flows into the Ohio. These three rivers are designated as navigable streams under the jurisdiction of the War Department. But the industrial institutions of the area are petitioning Congress to improve these streams for slack-water navigation, believing that thereby the district itself will be restored to a competitive position. Indirectly this would benefit all users of steel and steel products throughout the West and the Southwest. Preliminary legislation has been introduced in both the House and the Senate, while at the same time surveys and reports are under consideration.

On the Pacific Coast are two main waterway projects. The Columbus and



SNAKE RIVERS, in Washington, Oregon and part of Idaho, and the Sacramento and San Joaquin Rivers, with an outlet at San Francisco, are marked for rejuvenation in traffic uses.

The Mississippi trunk waterway and the Ohio are now nine feet in depth, and the waterway from Chicago to New Orleans is likewise to be nine feet. According to plans, the principal other Mississippi tributaries are to be at first six feet, but will be deepened later. The New York Barge Canal is twelve feet. The Intracoastal Waterway will be twelve feet. The St. Lawrence is to be twenty-seven feet and the Welland Canal is thirty feet. During the past few years physical developments on the Mississippi system of waterways progressed to the point where there is now a nine-foot channel connecting Pittsburgh with New Orleans. Work is continuously in progress by the government to maintain a six-foot channel on the upper section of the Mississippi from St. Louis to Minneapolis and St. Paul.

The outstanding event in the inland waterways development was the formal opening in October, 1930, of the Ohio River to nine-foot navigation from Pittsburgh to the Mississippi at Cairo, Ill. This marked the completion of a project which was begun almost half a century ago and which now provides a thousand-mile waterway through one of the richest sections of the United States. Few other parts of the country furnish as nearly ideal conditions for a highly developed river commerce as does that served by the Ohio. Here are vast quantities of the basic bulky commodities and steadily developing manufacturing industries whose products are well suited to river shipment. Commercial leaders have foreseen a great industrial development in the Ohio Valley as a result.

In 1930 there were completed 700 miles of the Intracoastal Waterways, leaving approximately 1,000 miles to be constructed within ten years. Among the waterways embraced in this system are the Cape Cod Canal,

the Chesapeake and Delaware Canal, the Chesapeake and Albemarle Canal and the Dismal Swamp Canal. Work has begun upon the extension of the system from Beaufort, N. C., to the Cape Fear River, and army engineers have reported favorably upon the eight-foot project carrying the system still further into the heart of the South. Florida has accepted the Federal terms for the taking over and deepening to eight feet of the Florida East Coast Canal and waterways extending south from the St. John's River.

The total mileage of rivers classed as navigable is 25,000, but only about 4,000 miles of rivers and canals are now in good condition for use. The figure may be still further reduced if only rivers having dependable constant channel depths are included. Railroad trackage in the United States is 250,000 miles or 100 times as great. These are arithmetical facts, stated as concisely as possible, which are essential to an understanding of the history-making movement that is now under way.

There is another side to be considered. If but one-half of the hopes of the inland waterways advocates are fulfilled the god of the river becomes a beneficent deity. Should the rivers be filled with boats, barges, carrying traffic in large tonnage—and that is the promise—then the traffic must either be new or it must come from other channels.

Traffic in large amounts is expected to be diverted from the railroads. Some new traffic may be created, but for a long time this will be negligible. Complete figures are not yet available for 1929 as to traffic on inland waterways, but special estimates made by the transportation division of the United States Chamber of Commerce indicate that the year will show a substantial increase over the year previous. According to the annual report of the chief of engineers, the United States Army, 1928 shows an increase over 1927 in the

commerce on our rivers, canals and connecting channels. The total for 1928 was 237,300,000 tons as compared with 219,000,000 tons for 1927. These figures include traffic through St. Mary's Falls Canal and the Detroit River.

Seasoned railroad operators are naturally concerned over the possibilities of large traffic losses. While the great transportation systems that crisscross the nation are privately owned they are, next to the farmer, the largest single employer of labor in the country. They support directly almost 8,000,000 people; their buying power, derived from their earnings, amounts to \$1,500,000,000 a year and their welfare affects indirectly many of our most liberal spenders. It is estimated that one million stockholders and another million bondholders are influenced by their prosperity. The great life insurance companies own about one-fifth of the transportation bonds. As taxpayers the railroads contribute annually to the public treasury almost \$500,000,000. Thus, in a sense, the rail systems of the nation are semi-public owned and operated. They cannot consider without some petulance the possible growth of such a powerful competitor as an inland waterways system. For the same reason the nation itself is vitally concerned with the development. It still is popular in some circles to attack the railroads. They have made mistakes, and these blunders of one kind and another are not allowed to be forgotten. Intricate legislation binds the railroads from taking an aggressive attitude; they cannot make their own rate schedules; their every expenditure, their consolidations and even their employment plans are supervised.

No one can accurately prophesy what will be the outcome in transportation. There is abundant evidence that there will soon be a legislative adjustment so as to hold the various forces within the limits where they can best serve the public to advantage.

Charles Dillon, vice president and managing editor of *Transportation*, the magazine of the industry, asserts that the railroads would never stop running "even if forced to go into bankruptcy, for then the government would take them over and operate them at the people's expense. There will always be a tremendous volume of freight that barges and steamships will never handle. No railroad president will predict the closing down of any railroads because of waterways or because of trucks and buses. This is too big a country to exist without steam lines."

The alarm of the railroads over waterways is heightened by the annoyances of unregulated buses and truck traffic on the highways. Pipe lines filled with natural gas, and oil, and the long reaches of power lines also shut off the need of fuel shipments.

The figures of the United States Department of Commerce tend to show that a cheaper method of transportation such as the enslavement of the river will mean an economic gain for the Middle Western area. It is stated, for example, that our farmers must compete with world producers and the cost of reaching distant markets is affected by freight charges. Whereas rail transportation rates have increased in America because of higher costs of labor and materials, water transportation throughout the world is still at pre-war levels. Because of the increase in railway rates and the distance from the seaboard, our mid-West farmers must pay from 6 to 12 cents per bushel more on grain to reach these world markets than before the war. Therefore, it is argued, the foreign farmers reach the markets at a lower cost than our own farmers. Certainly the difference in the number of cents that it takes to move a ton of wheat is found to be considerable. The cost from South Dakota to reach Liverpool is 11.90 cents, but from the Argentine it is only 7.23 cents. There is a direct relation here



to freight charges, says President Hoover, who is a firm proponent of our development of waterways.

It is interesting to note in any study of inland waterways the use that foreign industrial nations are making of their own rivers and canals. Necessarily, conditions abroad differ from those in the United States, but some fundamental principles are applicable to both this nation and European countries. Germany has had generations of experience with this means of transportation and has been successful in operating an extensive canal and river freight system. Many German cities have become great manufacturing centres because of waterways development—Duisburg, Mannheim and Ruhrort, for example. The German Government has spent hundreds of millions of dollars on the development of its waterways. The mileage of waterways in Germany, including canals, amounts to 7,636 miles. Including barges and towboats, the German inland fleet numbers 25,000 vessels, of a total tonnage exceeding 7,000,000 tons. Inland ports have been built which rival those on the sea. Duisburg-Ruhrort ranks first with an outgoing and incoming traffic by water in 1928 of 22,777,000 tons.

The maritime status of Belgium is disclosed, to a very large extent, by an examination of the activities of Antwerp, its chief port. The inland water transportation facilities connecting Antwerp have a length of 1,473 miles; waterway traffic is approximately one-half of the seagoing traffic. By the cheapness of this transportation Antwerp is able to compete with such distant ports as Genoa for the export and import trade of Switzerland and the north of Italy.

There is, undoubtedly, something approaching a tremendous national mobilization of resources in the present movement in America to use the rivers and canals. It is primarily a drive for greater world power, for economic advantage, for a maintenance of high living standards, through a utilization of our resources. The possession of a network of great natural waterways, the advance of engineering science which renders feasible their completion to the cheapest form of transportation for primary goods, has caught the attention of the national mind. It is a bid to set in motion powerful economic forces that will tend to better distribution of our increasing population and will bring about the wider diversification of our industries.

# Stalin's Rise to Power

By LEO M. GLASSMAN

FROM time to time during the past few years predictions of Stalin's fall have been made. In May, 1930, shortly after he was forced to promulgate his decree relaxing the pressure in the campaign for collectivization of farms, a writer well versed in Russian affairs prophesied that within a period "not tremendously far ahead" there would be a change in the personnel of the Soviet rulers—a change in favor of the moderate point of view in the Kremlin. A change of personnel did indeed take place, but the proponents of the moderate point of view were defeated. Not only was the Right Wing movement in the Kremlin crushed but its chief spokesman, Alexei Rykov, perhaps the most popular Soviet leader since the fall of Trotsky, was deposed as Premier of the Union of Socialist Soviet Republics. With Stalin enthroned more firmly than ever, one asks, What is the secret of his power?

To one who has seen Stalin personally as well as studied him through reading and hearsay, the answer lies in his peculiar mental and physical qualities plus the combination of favorable circumstances which he has been able to exploit for his own political advantage. From his youth the present dictator of Russia has been distinguished for a one-track mind and a single goal. He entered into contact with the revolutionary movement when he was a student at a theological seminary in Tiflis; as a result he became instead of a leading pillar of the Russian Orthodox Church the arch-exterminator of religion in the world. Long before he became an im-

portant figure in the Bolshevik movement he was dubbed "Stalin" (from Russian *stal*, meaning steel) by Lenin, who knew the iron will of this Georgian cobbler. His real name was Josef Visserionovitch Djughashvili, but he has admirably lived up to his adopted name.

If one were asked to describe Stalin in one vivid analogy one might compare him to a steam roller—slow and clumsy, but unswervable, ruthless, crushing. Strong in physique, inflexible in spirit, cunning in mind, these innate characteristics were strengthened in him by his early environment and by his experiences in the Czar's prisons. From 1901, when he was 21 years old, to 1917 he was arrested a dozen times as a revolutionary, imprisoned or exiled to some of the bleakest and dreariest spots near or within the Arctic Circle. Each time, except the last, when he was amnestied by Kerensky, he managed to escape, enduring untold hardships, privations and tortures. To the Czar's police, much as he is to the whole world today, he was an enigma. Not the usual type of revolutionist that springs from the intelligentsia, but rough, husky, taciturn, with a talent for trickery and cynical wit acquired through his early association with the *kintos* (vagabond street-hawkers of Georgia), he easily outwitted the obtuse agents of the Czar. With the same weapons he later outwitted the most brilliant leaders of the Soviet State.

Stalin is not known ever to have read anything apart from Karl Marx's *Capital* and the works of Lenin, but



his retentive mind enables him to quote Marx and Lenin with deadly effect in intra-party debates. This same memory enables him to pigeon-hole mentally, with unfailing precision, all the details relating to persons with whom he may have to deal and all personal grudges and observations necessary for political strategy. He is the author of several interpretive compilations of the Marxian theory, written with ponderous superficiality in a precise, simple and dull style.

Many years ago Stalin made two short trips abroad to attend Bolshevik conferences, but he knows no foreign languages and little about the world outside Russia. He did not learn to speak Russian until he entered the Tiflis seminary at 15 and still speaks with a marked Georgian accent. For this reason as well as because of his habitual taciturnity he avoids making public addresses, coming out from behind the scenes only two or three times a year on important occasions. He has no hobbies, amusements or other interests apart from his work, which keeps him occupied from fourteen to sixteen hours a day. He lives with his wife and three children in the town of Gorki, outside Moscow, in the same house where Lenin spent his last days. Once a year he goes down to the Crimea for his annual vacation.

Stalin's singleness of purpose and his stoicism were revealed in his youth when, as a prisoner in Tiflis, he submitted with the other convicts to a severe beating from the guards for refusing to say who were the leaders of a prison mutiny. While hardened criminals squirmed and whined, he held up his head proudly, unflinchingly. But when his fellow-prisoners asked him to join their revolt against the horrible food served them, he refused. He was not interested in improving prison conditions.

These qualities he has carried over into the Kremlin. Trotsky's concern for greater democracy within the

party, Rykov's concern over the oppression of the peasantry, both left Stalin indifferent. Unimaginative and completely devoid of nerves, human considerations have not entered into his scheme of things. Cold dogma, orthodox interpretation of Marx and ruthless pragmatism combined with an amazing lack of scruple or ethics in his relations with people—these are his formidable weapons. To observe him as he appears at a public demonstration or on the platform of a Soviet meeting is to realize at once why Trotsky and other leading Bolsheviks did not appreciate until it was too late the danger that Stalin would become to them. Unimpressive, modest, silent, he gives no clue to the powers that lie hidden behind the swarthy face and the dull blue eyes illumined only by an unblinking, suspicious twinkle. Trotsky regarded him with contempt and condescension, and lived to rue it.

From 1918 to 1922 Stalin was practically a nonentity outside the higher councils of the Communist party. Because of his familiarity with revolutionaries in every part of the country, and because of his determined character, he was made a member of the Committee of Seven which engineered the overthrow of Kerensky and conducted Bolshevik affairs for some time after the coup of Nov. 7, 1917. Lenin considered him a valuable assistant because of his ability to carry out orders. But between Stalin and the other Bolshevik leaders there existed from the first a feeling of aloofness and hostility. They could not penetrate the veil of mystery which hung over this uncouth Asiatic, while he regarded them with suspicion and secret contempt. Their brilliant minds, their culture, their idealistic fervor he viewed as things to be despised, while they felt that Stalin did not fulfill their ideals of what a Soviet leader should be. Believing that he would always play second or third fiddle, they paid little attention to him.

Lenin's opinion of Stalin can be found in a letter which Lenin addressed on his deathbed, in March, 1923, to the Central Committee of the Communist party, in which he broke all "comradely relations" with Stalin and urged the latter's removal as General Secretary of the party. Lenin described Stalin as "too coarse" and unfit for the rôle of a Soviet leader. He regarded Stalin's rise to high office as an indication of the spirit of mediocrity which was pervading the Communist ranks. But Lenin could not stop the process. Perhaps he might have been able to do so if he had not been sick and dying. The sceptre passed out of Lenin's hands and the era of idealism in Soviet leadership approached its end.

It was then that Stalin emerged into the limelight. Patient, crafty, iron-willed, he had laid his plans carefully during the two years of Lenin's illness. As General Secretary of the Communist party, he used his position to secure an increase in the membership of the Central (Executive) Committee. The original number, nineteen, was composed of the élite of the Bolshevik leadership. At Stalin's request the number was doubled, then increased to seventy-one, the new members being, with few exceptions, his appointees. He then proceeded to reorganize the Central Committees of the Communist party in the Ukraine and other Soviet republics. On the pretext of eliminating undesirable and counter-revolutionary elements, he ousted all who did not appear amenable to his suggestions. With the party apparatus thus reorganized, Stalin could now fill all governmental posts with his own men.

When Stalin consolidated his position within the party, he did not overlook other factors. He knew that the masses were tired of Bolshevik experimentation in economics. Lenin's New Economic Policy, inaugurated in 1921, permitted private trade again and made life more bearable; bread,

butter, meat and other products appeared in the cooperative stores. The masses were beginning to revive. By comparison with what they had endured before, this was paradise. They were content to have things remain in that state, and wanted no more swinging to the Left. But Trotsky was still a power to be reckoned with. He argued that Lenin had meant the New Economic Policy as a temporary measure to tide over a critical period, and that the time had come to go back to militant communism. He thundered forth the principle of Bolshevik strategy—one step back, two steps forward. A certain element among Communists in the cities supported Trotsky's Left Wing.

The majority of the party, however, reflecting the mood of the masses, was unmistakably for a continuation of the moderate policy as embodied in the New Economic Policy. This group, led by Rykov, Bukharin, Tomsky and others, proclaimed itself as the Right Wing. The harmony which was maintained within the party through Lenin's authority and remarkable powers of leadership had begun to disappear during the last year of his illness. With his death in January, 1924, the previous intra-party disagreements and quarrels took on a serious form, and the war between Right and Left began in earnest.

Stalin now played his cards with the skill of a master politician. A victory for either side would have meant a setback to his plans. Trotsky, the most brilliant Soviet leader and the logical successor to Lenin, was especially to be feared. Occupying a position in which he virtually controlled the party organization, Stalin announced himself a Centrist and proposed an alliance with the Rights, which Rykov and his colleagues accepted. Trotsky's removal from leadership was effected in October, 1927, one month before the fifteenth party congress at which Trotsky had hoped to overcome his opponents with his forensic powers.



Then a strange thing happened. Having deposed Trotsky, and while continuing to wage relentless war against the Left Wing movement, Stalin proceeded in effect to practice the chief principles of the man he had defeated. Forced collectivization, "militarization" of labor, accelerated tempo of industrialization—the outstanding features of Trotsky's program—these aims formed the basis of Stalin's policy. In 1928 the Five-Year Plan was launched, collectivization of the peasantry began, Lenin's New Economic Policy was reversed, and private trade throttled.

When the Right Wing leaders realized their mistake and saw how they had been betrayed, they made secret overtures to the Left Wing group in a frantic attempt to turn the tables on Stalin. But it was too late. Trotsky was already in exile in Almaty, and Stalin's position in the party was practically impregnable. Zinoviev, Kamenev and other followers of Trotsky did not have their leader's stamina. With the exception of Rakovsky and one or two others they all capitulated to Stalin, humbly signed retractions and were given minor posts in various governmental bureaus.

Some of the negotiations between the groups of the Right and the Left were revealed in a series of documents published in Moscow by the secret presses of the Trotskyists in the latter part of 1928 and the early months of 1929. One of these, dated Feb. 2, 1929, quoted Bukharin as saying to Kamenev: "The differences between us [the Right Wing] and Stalin are vastly more serious than all our former differences with you of the Left Wing. Rykov, Tomsy and I are unanimously of this opinion; it would be better to have Zinoviev and Kamenev in the Politburo [Political Bureau of the Communist party] instead of Stalin." Bukharin further informed Kamenev: "For several weeks now I have not been on speaking terms with Stalin. This man is an unprincipled

plotter whose chief aim is to stay in power. He changes his theories whenever he finds it necessary to put an opponent out of the way."

How thoroughly Stalin controlled the machinery of government and police can be seen from the following remark made by Bukharin to Kamenev in another conversation quoted in the document: "No one must know about our meeting. Do not speak to me over the telephone—the wires are tapped. I am constantly followed by an agent of the OGPU [Soviet secret police] and an agent is watching you. I want to communicate with you, but not through secretaries or intermediaries. No one except Rykov and Tomsy know what I have said to you."

No less interesting is the fact that these conversations were arranged through the mediation of Sokolnikov, at present Soviet Ambassador in London. Sokolnikov flirted both with Stalin and with the Right Wing, though he officially avowed loyalty to Stalin.

The negotiations between Right and Left Wings were in vain. Stalin's answer to the Right Wing was a mailed fist. All who demanded a more moderate policy were labeled "counter-revolutionary" and threatened with the same fate as had been meted out to the Left-Wingers. It was, however, not so easy to dispose of the Right Wing, for, unlike the Left, it had the silent but unmistakable backing of the masses and of the rank and file Communists. Hasty action might have precipitated trouble. The Right Wing leaders were therefore permitted to retain their places in the higher councils of the party. Rykov, Bukharin and Tomsy remained members of the Politburo, the party cabinet which determines the policies not only of the Communist party but of the Soviet Government as well. Only gradually were they shorn of their power and influence.

Bukharin, a leading Soviet theoretician, was dismissed from the editorship of *Pravda*, the official organ of

the Communist party, and later was ousted from the Politburo, though not from the party. Tomskey was compelled to resign as chairman of the Soviet Trade Union, potentially the most powerful organization in Russia next to the Communist party itself; he was replaced by Kaganovitch, one of Stalin's faithful adherents. After two years of manoeuvring Stalin at last felt confident enough of his own position to deal the final blow by deposing Rykov.

Today Stalin stands, unchallenged, the supreme dictator of Soviet Russia. He has proved himself the master strategist among Soviet politicians. His rise from comparative obscurity to the highest pinnacle of power is no small achievement when it is remembered that he had to contend always with men who were undoubtedly his intellectual superiors. What Trotsky called the "Thermidor of the Bolshevik revolution" did not come suddenly. When Stalin began his climb to power the most brilliant leaders were still in the Kremlin—Trotsky, Rakovsky, Zinoviev, Kamenev of the Left Wing, and Rykov, Bukharin, Tomskey of the Right Wing. Any one of these men was superior to Stalin intellectually as well as in revolutionary experience. Had the Right and Left Wing leaders united, Stalin could hardly have been able to beat them. But they lacked political sagacity. While Left and Right argued the question of revolu-

tionary principle, Stalin quietly built up his party machine, and when it was perfected, skillfully pitted the Right Wing against the Left and blazed his own path to victory.

Some observers have compared Stalin to Lenin in his ability to alter his policies to suit the exigencies of the situation confronting him. The parallel is not altogether correct. Lenin's power lay in his ability to convince his opponents by the sheer force of logic. Never afraid of arguing things out, he would not proceed with any major project until he had brought all the Soviet leaders over to his way of thinking. When he was wrong he yielded his point. Stalin's strength, on the other hand, lies in his extraordinary talent for political manoeuvring and in his amazing ruthlessness in suppressing opposition. He is always right. In the face of danger to his own position, he has performed extraordinary, almost overnight somersaults of policy. But those who may have urged upon him such changes in policy nevertheless have continued to labor under the stigma of counter-revolution.

Stalin's reputation rests on a paradox. Historically, he may never reap his full reward. If his policies fail, he will have to bear the burden of blame. If his policies succeed, the real credit will go to Trotsky. In the main, Stalin's policies have been Trotsky's.



# The Soviet Autocracy

---

By ALBERT BUSHNELL HART

*Professor Emeritus, Harvard University*

---

THE present Russian situation is at once too much in the minds of Americans and too little understood. One would gather from the newspapers that Russia was pouring forth cheap breadstuffs, oil, manganese and other raw products for the sole purpose of breaking up the industrial and financial system of the United States. We look upon the Russians as a nation of "barbarians" incapable of carrying on a modern State, and yet believe they are the shrewdest, most farseeing and dangerous people in the world; a people who will overrun Europe and there combine the forces of the conquered nations to occupy our Atlantic Coast.

Undoubtedly one of the most important things at this moment for the civilized world is to know what is going on in Russia; yet it is impossible that the accounts of all the observers should be true. The first difficulty—as was shown in those preposterous foreordained criminal trials—is the impossibility of getting anything which approaches a complete, authentic and unvarnished account of what actually goes on in any considerable area of Russia. The nearest approach to reliable testimony is that of the small number of foreign engineers and technicians—a good many of them Americans—who have been employed by the Soviet Government to develop coal, iron, manganese and timber, and particularly to erect immense factories and machine shops. The Soviet expects that when these are completed, Russians, notwithstanding their very slender opportunities for

technical training, are going to take over the prodigious enterprises and run them for the State.

Everybody understands that the Five-Year Plan simply means that the whole population, and especially the agricultural population, shall be forced to live on the lowest terms of existence till they have completed those factories, mines and steel works. Meantime, materials and services must be paid for, and the only possible means of immediate payment is to sell raw materials to other nations. But the other nations are already overstocked with their own surplus products. In fact the European or American is playing a dangerous game in making possible the development of a rival not only in foodstuffs and raw materials but in the production of machinery. At the same time the Russians are trying to reconstruct their railroads for the greatly enlarged traffic. Sooner or later they will build more railroads to their European frontiers and become more intimate with Western nations. Doubtless there are ways of meeting such competition, the most obvious being high tariffs and embargoes. But a war of import duties may well stimulate the Russians, organized for modern production, to build ships and guns, rifles, airships, tanks and deadly gas equipment.

One of the safeguards of the rest of the world is that the Russian people—though well enough endowed with brains—are almost uneducated. Nominally the Soviet is trying to educate the Russian people. Whatever

else visitors may see and admire in Russia, they do not visit elementary schools because, while the Soviet attempts to convince the world that it believes in education, there is in Russia no general system of rural education with proper school buildings and intelligent and well-trained teachers. The show educational institutions in or near the great cities are crude, and the latest announcement is that their pupils are to be drafted from the schools for work under the Five-Year Plan. Russia has a machinery of newspapers and public meetings, and it makes a great use of the telegraph, but there appears to be no such thing in Russia as a newspaper that prints any fact or any comment on public affairs without the rubber stamp of the Soviet authorities.

We Americans are sympathetic with any government that calls itself popular and has rid itself of tyrants. But the fundamental difficulty between the United States and Russia, which cannot be bridged by friendliness or recognition or treaties, is that the Soviet Government is a tyranny of the very worst type, for it has adopted the worst features of the old Czarist Empire—secrecy, deception, absolutism, total disregard of human rights and denial of any real participation in the government by the people governed. None of our American city despots has yet abolished popular elections, but there is no such thing as a genuine election in Russia. Confessedly the voters must vote only for candidates who are certified Communists. The Soviet Government has never yet dared to put to a genuine popular vote the choice of a real legislative body, or of the heads of the State and particularly the main head—the *Primum Mobile*, the unchecked “Czar.”

Slavery to the State is not quite the same as slavery to individual masters, but it rests upon the same basis of disregard of human rights and human suffering. We have much to

atone for in our treatment of prisoners but no State in the Union sends masses of people, who are guilty of no offense, to lumber camps and mines, construction work and factories, thus breaking up families and placing hundreds of thousands of men and women under the most cruel system of forced labor. This dreadful crushing of humanity could not possibly be carried out except by a ruthless tyranny that none can gainsay. It is a return of the savage tyranny of the Tartars, which all but crushed Russian civilization.

The United States seventy years ago paid a tremendous price to break up the system of slavery which at the time had not reached the industrial population, as it has in Russia. The Russian principle of underbidding the world in oil and minerals and bread-stuffs, so as to draw machinery and machinists to Russia, will undoubtedly continue after the Five-Year Plan is established. There is not in the minds of the Soviet leaders any semblance of sympathy with their own poor and weak and struggling brethren. It is the purpose of the small group of men around Stalin, who make the decisions for 140,000,000 people, to suppress all political initiative that does not come from them.

Have the Soviets actually discovered the means of making a nation rich while 98 per cent of the population is poor? What can be clearer if the Five-Year Plan succeeds than that they will then move upon the world, both east and west, extend their power and break up the system of private initiative and individual ownership among all their neighbors? Russia is a long way from the United States, but if the Soviets possess a political and industrial idea which will make them stronger than any other power, the United States of America will then be compelled to adopt the Russian system and make bondsmen out of nine-tenths of the population, or it will have to fight for its existence as a nation.



# Australia Under A New Labor Government

---

By A. D. ROTHMAN

*American Correspondent, Australian Press Association*

---

THE appointment of Australia's first native-born Governor General, marking a further step toward what some think will be independence, and the intensification of an already serious economic depression, have been the chief events in the last year or two that have caused political dissension in the great Commonwealth under the Southern Cross. In a large measure this dissension has been roused by the return to power of the Labor party in the Federal sphere after an interval of more than twelve years. At the same time there has arisen the sharpest division within the Labor ranks that it has experienced since the party split over conscription early in the war.

Only gradually did Labor as a national political force recover from the effects of the 1915-16 upheaval over war policies. By 1921, however, concessions made to militant Left Wing sentiment helped to unify the ranks of the organization so that by the following year it was once more the largest party in the Commonwealth Parliament and could be kept out of office only by the coalition of the Nationalist and Country parties during the long tenure of the Bruce-Page Government, 1923-29.

Economics rather than politics provides the clue to what has happened since. As early as 1928 the worldwide process of deflation began to be noticeable in Australia. This in con-

junction with dissatisfaction felt by public service employees, small farmers and small business men with the Nationalist-Country party program of taxation gave the Labor party in the elections of October, 1929, one of the greatest victories in the history of the country. When James Henry Scullin was sworn in as Prime Minister of a new Labor Government, he found himself confronted with these economic conditions and financial problems.

Suffering primarily from worldwide industrial dislocation, whereby the value of Australia's exports in 1929-30 were reduced approximately \$250,000,000 on the basis of a previous five-year average, the situation was all the more serious because the budget deficits of both Federal and State Governments for several years had been met by loans. The aggregate public debt of the Australian Governments, incurred either for war purposes or for necessary public improvements, nevertheless, was now \$5,500,000,000, of which about \$900,000,000 was falling due for repayment in the four-year period, 1931-34. An adverse balance of trade was to a considerable extent the result of having to find \$150,000,000 annually for interest charges abroad on these debts. By the end of 1929 all the governments of Australia were faced with the prospect of not being able to meet their obligations in 1930.

Prime Minister Scullin, in April, 1930, announced to the Commonwealth Parliament his first measures of relief. These took the form of a special program of taxation, higher postage rates and other increases, and also a stringent tariff schedule placing prohibitive rates on certain luxuries and manufactured goods and the rationing of, or an outright embargo on, other items in these categories.

The trade balance was eventually corrected. For the half year ending Nov. 30, 1930, there was a reversal in Australia's favor amounting to \$40,000,000, as against an adverse figure of \$85,000,000 for the corresponding period in 1929. But this did not have the desired effect on the exchange situation. Australia's income from overseas had diminished to a much greater extent than her obligations abroad. As a result the 6½ per cent premium paid on remittances to London in October, 1930, increased to 30 per cent or more at the end of February, 1931, and at that funds were available only on a rationed basis. Furthermore, the expectation of increased revenue from special taxation was not fulfilled, for in the quarter ended Sept. 3, 1930, income was \$20,000,000 below Mr. Scullin's budget estimates.

Shortly after the Prime Minister announced his taxation and tariff measures early in 1930, the Labor Government invited the Bank of England to send out an expert to study the financial situation. The bank thereupon chose Sir Otto Niemeyer for this mission, and in August he issued a report that was approved by the Federal Cabinet and the Premiers of six States. The report advised the balancing of budgets by sharp cuts in government expenditures and the sums voted for public improvements; complete though temporary cessation of borrowing abroad and limitation of domestic borrowing to self-sustaining public works only; improved sinking fund practice for the retirement

of existing debts; and private and public industrial retrenchment so that Australia, by lowering production costs, might more successfully compete in the world markets.

Just before these recommendations were made public, Mr. Scullin left for the Imperial Conference in London. There he hoped to obtain another important measure for economic rehabilitation, namely, some form of imperial preference which would create an assured market in Great Britain for Australian goods. At the imperial conferences of 1902 and 1907 the dominions had urged that without the assurance of British markets they would be unable to develop their own resources, but an alternative was offered in the form of capital, a liberal supply of which could be secured by making dominion obligations legal for trustees investments in England. But it has since been questioned whether that policy was the wisest. The dominions, particularly Australia, borrowed freely, with the result that development along the lines of public works became too rapid or not always economically justifiable. Thus, when the world stringency occurred and the flow of capital from Great Britain was suddenly stopped, the borrowing dominions were seriously embarrassed. Although refusal of the British Government at the Imperial Conference of 1930 to extend preference in any form to dominion goods did not come as a surprise, it rendered nugatory Australian expectations of securing some relief.

Meanwhile, during Mr. Scullin's absence, a serious quarrel had broken out in the Australian Labor party over the financial problem. The announcement that the Federal and State Ministries had approved the Niemeyer proposals was at once received with hostility by the New South Wales Labor party and threats were made to expel from the party any member from the State in the Federal Parliament who might vote for the legislation embodying those



proposals. A few months later the New South Wales Labor party, headed by its veteran leader, J. T. Lang, secured a notable victory in the State elections. Curiously enough, the success of the Labor party in the largest of the Australian States tended to embarrass the Labor Government of the Commonwealth.

While the Federal Labor party in recent years has been recovering its strength, the reverse has been the case of the State Labor parties. In 1925 Labor was in control of the governments of five of the six States—all except Victoria—but in the next five years this control was lost in every State, the last to repudiate Labor being Western Australia in 1930. The most radical of all political groups, the New South Wales Labor party, which had been defeated in the election of 1927, however, returned to power three years later owing to general dissatisfaction with its Nationalist opponents in the Federal and State spheres, and Mr. Lang became Premier. During his campaign he was most outspoken in denouncing the Niemeyer retrenchment proposals and advocated repudiation in one form or another of part or all of the public debt. As an outstanding leader of the Australian Labor party, with a mandate from the people of the most populous State in the Commonwealth, Mr. Lang was in a position to bring pressure to bear upon the Federal Cabinet, avowedly in sympathy with the deflation program of the Bank of England expert.

During Mr. Scullin's absence James E. Fenton, Acting Prime Minister, and Joseph A. Lyons, Acting Treasurer, had to bear the brunt of the Left Wing attack. Speaking apparently as of one mind with the absent Prime Minister, they declared that not to put into effect the Niemeyer proposals would result in repudiation, and against repudiation they were prepared to combat any and every group. The issue was to be joined finally in December, 1930, when domestic loans

totaling approximately \$140,000,000 became due and had to be converted. A strong and uncompromising faction in the Federal Labor party caucus, led by Frank Anstey, former Deputy Labor Leader in the Federal Parliament, advanced a sensational plan for the solution of the country's financial difficulties—a year's moratorium on the \$140,000,000 loan or the taking over of the obligation by the banks; the further commandeering of the resources of the banks to the extent of \$100,000,000 for necessary public works, and the "release of credits" by augmenting the currency.

When the Federal Government appealed "To All Who Wish Australia Well" to subscribe to the \$140,000,000 conversion loan, the manifesto was signed not only by important members of all political parties and representatives of all business interests in the Commonwealth but also by the heads of Churches. The loan was oversubscribed and was a vindication for those who had fought for Australia's financial integrity.

A diversion from financial controversy was created by Mr. Scullin just before he left London after the close of the Imperial Conference. On Dec. 2, 1930, an announcement was made from Australia House in London that "his Majesty the King, on the recommendation of the Prime Minister [Mr. Scullin], has appointed" the Chief Justice of the High Court of Australia (Sir Isaac Isaacs) to be Governor General of Australia. It was at once pointed out that designation of a Governor General had hitherto always been officially gazetted and not announced from the London office of the dominion concerned and that the wording of such designation in the past had been, significantly, "the King is graciously pleased to approve."

As early as April 23, 1930, it was known in Australia that Mr. Scullin had decided on the appointment of a native-born Australian as Governor General, specifically Sir Isaac Isaacs, upon the retirement of Lord Stone-

haven, who late in 1930 was to complete his five-year term. Meetings of protest were immediately called and petitions signed all over the Commonwealth, condemning the action of the Labor Government in seeking Sir Isaac's designation and demanding a continuance of the traditional method of appointing the King's representative. This led Mr. Scullin to hold the appointment in abeyance until he should consult on its constitutional aspects with the authorities in London.

The Committee on Imperial Relations of the Imperial Conferences of 1926, under the chairmanship of the late Lord Balfour, had accepted the principle that the various dominions and Great Britain are "equal in status, in no way subordinate to one another in any aspect of their domestic or external affairs." The committee had further stated: "In our opinion, it is essential, in consequence of the equality of status existing among the members of the British Commonwealth of Nations, that the Governor General of a dominion is a representative of the Crown holding in all essential respects the same position in relation to the administration of public affairs in his dominion as is held by his Majesty the King in Great Britain, and that he [the Governor General] is not a representative or agent of his Majesty's Government in Great Britain or of any department of that government."

After Mr. Scullin had consulted with the British authorities it was announced in London on Oct. 29, 1930, that at a meeting of the Imperial Relations Committee of the Imperial Conference, presided over by Lord Sankey, it had been agreed upon in the appointment of Governors General that dominion Ministers might submit to the King names for approval, with his Majesty retaining the right informally to reject any and all of the nominees. As to the right of the dominions to propose native-born subjects or the dominions' right to ap-

proach the King without intervention of the British Cabinet, no issue was raised, as the principle was admitted.

Nevertheless, both in Great Britain and in Australia a storm of protest arose over Sir Isaac Isaacs's designation. In Great Britain it was said that a serious encroachment had been made on the King's prerogative, that scant courtesy had been shown the monarch in the form and manner of the appointment and that Mr. Scullin had apparently acted against the wishes of the Australian people. In Australia conservative pro-British elements declared that a "separatist feeling" on the part of South Africa and the Irish Free State had led to the imperial pronouncements of 1926; that a sweeping constitutional change had been forced upon the Commonwealth by the Imperial Conference, a body without authority to bind the people of Australia; and that irrespective of Sir Isaac Isaacs's great abilities he was a political designee, whereas the King knew no party and his representative should know none. Sir Isaac Isaacs was considered as sympathetic to Labor, with general political and social tendencies such as are generally credited to Justice Brandeis of the United States Supreme Court. Those who defended the Labor Government's position argued that the principle of intra-imperial equality had been approved by a previous government, that of Stanley M. Bruce, Nationalist leader, and that the aspects of "democratization" in the new concept of the vice-regal office merely marked the end of Australia's "political tutelage" without alienation of the ties of sentiment binding the people of the Commonwealth to Great Britain.

A protracted delay in the arrival of Sir Isaac Isaacs's commission, reflections on the wisdom of his acceptance of the post and the possibility that he might decline the honor, as well as constitutional objections to the appointment resulted in considerable confusion as the day for the Gover-



nor General's assumption of office approached. However, the appointment was finally authenticated and his commission ultimately came to hand, permitting his ceremonial installation on Jan. 22, 1931, shortly after Mr. Scullin's return to Australia.

As soon as the dispute over the appointment of the new Governor General died down, the financial problem once more came to the front. It was now complicated by a Cabinet crisis.

Not long after the Labor Government entered office, in 1929, charges growing out of the purchase of certain mines by the Government of Queensland were made against Edward G. Theodore, former Premier of that State and then recently appointed Treasurer in the Federal Cabinet. These charges led to Mr. Theodore's resignation and Mr. Scullin thus lost one of his ablest colleagues, a noted financial expert and an outstanding leader of the Labor party. On his return from London, in order to placate the Left Wing Laborites, Mr. Scullin asked Mr. Theodore, who had not yet been tried on the charges made against him in Queensland, to rejoin the Cabinet. Immediately Mr. Fenton and Mr. Lyons, who during Mr. Scullin's absence had withstood the pressure of both the Left Wing Laborites and the official Parliamentary opposition, resigned from the Cabinet in protest. Mr. Scullin promptly replaced them and called a meeting of the State Premiers to devise methods of dealing with the financial situation.

At this meeting some of the Premiers who had approved the Niemeyer plan demanded retrenchment to the extent of \$75,000,000 a year in the form of reductions in salaries of the 400,000 civil servants, unification of overlapping State and Federal functions and abolition of certain costly forms of social legislation. Mr. Lang, the Premier of New South Wales, on the other hand, urged that the gold

standard be abandoned and that Australia's war debt to Great Britain be adjusted and interest thereon as well as on Australia's internal debt be reduced to 3 per cent. He declared that Australia was unable to meet her obligations and that partial default at once was better than total default later.

The Prime Minister declined to accept the proposals of either the retrenchment group or the repudiationists. Instead, he offered to the State Premiers his so-called three-year plan, the important features of which were: (1) Each government to balance its budget within three years; (2) the pooling of State and Federal exchange resources in meeting obligations abroad and for the funding of existing overseas floating debt; (3) rigid economy in the administration of the Commonwealth and State governments; (4) Mr. Theodore's scheme for ending the deflation by augmenting the currency to bring back the level of wholesale prices current in 1929, thereby, according to the treasurer's contention, increasing the national income by \$500,000,000 and ending the depression and providing funds for further public works to relieve unemployment; (5) the co-operation of the banks of the country in putting the three-year plan into effect. On Feb. 13 the three-year plan was approved by the Premiers' conference, but Mr. Theodore's proposals were not accepted by the banks. The board of directors of the Commonwealth Bank, the central bank of the country, declined to underwrite the provisions for augmenting the currency and expressed inability to provide further support for the various governments, whose overdrafts had been already honored by the banks to the extent of some \$350,000,000, unless retrenchment and acceptable financial methods were adopted for meeting the country's obligations.

# Venezuela's New Wealth

---

By JOSEPH L. LEEMING

---

THE succession of revolts which spread throughout South America during the Summer of 1930 left Venezuela undisturbed. Yet the country was formerly addicted to chronic turbulent uprisings. Why, when all the major South American countries were deposing their rulers and crying out against the old order, did the most unsettled of all these republics remain tranquil?

Profound political, social and industrial changes have taken place since the end of Cipriano Castro's stormy dictatorship in 1908. For over twenty years there has been but one administration, and that, on the whole, a liberal, paternalistic one which has removed much of the incentive for revolution, the more so as Venezuela has advanced from a state of almost universal poverty to one of comparative wealth.

Two factors have been responsible for this peaceful change. One is associated with the name of General Juan Vicente Gomez, who was President from 1908 until early in 1929 and is now Commander-in-Chief of the Venezuelan Army; the other is oil, which has been found in such quantities that Venezuela now ranks second only to the United States as a producer of petroleum.

When Gomez came into power Venezuela had a far from good reputation. Revolution was part and parcel of the country's political tradition. Venezuela gave birth to Simon Bolivar, the greatest revolutionary leader in South American history, and under his leadership blazed the way to eventual independence for the other

Spanish colonies in South America.

Throughout the nineteenth century the numerous uprisings which succeeded one another were of little concern to the outside world. When, however, Cipriano Castro, the "stormy petrel of the Caribbean," became dictator in 1900 his failure to meet the obligations on the national debt and his arbitrary treatment of foreign countries which had capital invested in Venezuela, led to international complications. In 1903 British, German and Italian warships blockaded the Venezuelan ports and demanded payment of their nationals' claims. But Castro, seeking the protection of the Monroe Doctrine, appealed to the government of the United States. The dispute was finally referred by mutual consent to The Hague Court of Arbitration which in 1907 ordered the payment of the British, German and Italian debts, amounting to about \$3,500,000. Castro became embroiled in the same year with Holland on the grounds that she was harboring political refugees in Curaçao. When the Dutch Minister was expelled, Holland retaliated by sending gunboats which speedily destroyed the diminutive Venezuelan Navy and blockaded the ports. In December, 1908, Castro found an excuse to leave for Europe, and in his absence a popular uprising placed Juan Vicente Gomez, the Vice President, at the helm of the government.

The new President was confronted with chaos. The farmers, ever fearful of vandal raids, had left the land uncultivated. Continuous civil war had so devastated the country that the





VENEZUELA

crops were insufficient to feed the inhabitants. The national debt, amounting to nearly \$47,000,000—a large burden for a country with a population of only 3,000,000—was owed in large part to foreign countries which were becoming impatient in their demands. Revenues for 1909 amounted to some \$10,000,000, and there were few sources—industrial or individual—which could be tapped to provide a greater public income.

Instead of following the example of previous dictators and giving all the important governmental posts to his own followers, he declared that the country was more important than any individual party, and appointed a number of his former enemies. Though his methods have been harsh, and even ruthless, his policy of placing the interests of the country first has been justified by the present prosperity and relative tranquillity of Venezuela.

After making clear his determination to put down mercilessly any attempt at disorder, Gomez commenced to build up Venezuela's agriculture and industry. He led the way by becoming the country's greatest agriculturist, a position which he still holds. On his extensive properties he grows a variety of commercial products, corn, beans, coffee, cocoa, sugar cane,

rubber and cotton. He has also devoted himself to cattle-raising and the improving of the native Venezuelan cattle descended from the Andalusian cattle brought to the Americas by the early Spaniards. Holstein bulls were imported, but it was found that they could not withstand the heat of the tropics. As a further experiment Indian zebus were purchased for breeding. The zebus gave hardiness and strength to the native cattle, the European bulls gave the new stock better flesh and milk-producing qualities.

Industrial development was the next step, and Gomez initiated a few modest enterprises. A creamery and paper mill were constructed, and then a cotton and woolen mill. Gradually other industries were established as capitalists became more confident. At present there are fifteen sugar refineries, ten textile factories, five breweries, four shoe factories, two rubber manufacturing plants and a number of other prosperous undertakings. "The present government is sympathetic to industry," the United States Department of Commerce reports. "It aims to protect new establishments by means of tariffs and to place no impediments in their way by adverse or costly legislation."

Whether Gomez alone could have brought about this progress without

the aid of petroleum is somewhat open to question. There have been protests—and vigorous ones—against what is described as the sale of Venezuela to foreign oil imperialists, but they have usually been outbursts inspired by the ever-present radical for the single purpose of discrediting the government to the detriment of the country's economic welfare.

The revenue obtained in taxes and royalties from the petroleum industry has brought to a successful close the long struggle to balance the budget. Today, not only is the budget balanced, but for several years the treasury has shown a substantial surplus. The country now possesses a reserve fund for the first time in many years. As a result of the improved financial conditions, payment of the entire external debt was authorized in June, 1930. Beside increasing the public revenue, the petroleum industry has directly aided Venezuela by providing employment, stimulating native industry and raising the standard of living to an unprecedentedly high plane.

Before the "petroleum era"—the years immediately preceding the World War—the public and private wealth of Venezuela was largely dependent upon agriculture. Even in the capital city of Caracas, automobiles were curiosities; today that city and the entire country where roads penetrate, are as dependent upon automobiles as are the citizens of the United States. More than 12,000 private cars and trucks jostle each other on city streets and country roads. Gomez's guiding policy—"For Country and for Union"—has been aided by the automobile as by no other single factor.

The petroleum industry, also, has provided the money for the building of roads for the new automobiles. Though one of Gomez's first steps, taken in 1910, was to create a commission to make an exhaustive survey of Venezuela's topography, on the basis of which a national system of

roads could be planned and constructed, real progress on this program was not made until the revenue from the petroleum industry supplied the necessary money. About 6,000 miles of roads have now been completed, connecting every section of the country with Caracas and with Maracay, the city in which Gomez resides and which, as a result, has become the real seat of government.

Since 1921 exports of oil have resulted in more than tripling the value of all exports, while government revenues have more than doubled, chiefly as a result of royalties and taxes contributed by the oil companies. Exports in 1928 were valued at \$117,644,000, of which nearly 80 per cent was represented by petroleum. Imports for the same year amounted to \$80,406,000, leaving a favorable trade balance of \$37,238,000. These figures are in sharp contrast to those of 1921, which are representative of Venezuela's trade before the beginning of large scale petroleum exports. In that year exports totaled \$22,104,000 and imports \$15,816,000. The great increase in imports, which were more than five times as large in 1928 as in 1921, reflects in large measure the enhanced buying power and prosperity which has come to Venezuela.

The revenue for 1929-30 was estimated at more than \$38,000,000, or nearly four times as much as when Gomez came into control in 1909. Nearly \$10,000,000 of the total is accounted for by the income from petroleum companies, while import duties and surcharges, largely obtained from the oil companies' imports of machinery and supplies, are expected to yield some \$15,000,000. The balance of \$13,000,000 is obtained from tobacco imposts, salt revenue, liquor taxes, consular fees and charges for stamps and legal papers. The government's main revenue from the oil industry is derived from a 10 per cent royalty on all oil produced, based on the value at the Venezuelan port of embarkation.



Oil was first produced in Venezuela in 1917, when the output of the Royal Dutch-Shell combine amounted to 119,000 barrels. This was sufficient to interest other oil companies which up to that time had been skeptical regarding Venezuelan oil rumors. In 1918 British Controlled Oilfields arrived on the scene, but five years elapsed before they produced a single barrel of oil. In the meantime, American oil men had surveyed the situation and decided to enter the field. The Standard Oil Company of Indiana began operations in 1922 and the next year was followed by the Gulf Oil Company. By this time Venezuelan oil production had increased considerably. In 1923 it amounted to 4,543,000 barrels, and companies were hurrying to obtain concessions while they were still available. At present 108 oil companies are registered in Venezuela, controlling concessions which cover almost the entire surface of the republic. In 1930 production amounted to 142,000,000 barrels.

Most of the drilling has been around Lake Maracaibo, while hundreds of wells have been drilled through the bottom of the lake itself. As a result the population of Maracaibo has doubled since 1921 and the number of vessels entering and clearing from the port has increased from 100 a month to more than 1,600. Much of this increase is due to the operations of the unique fleet of diminutive tankers—they now amount to seventy-eight—which transport the oil from the shores of Lake Maracaibo to the refineries on the islands of Aruba and Curaçao, about 150 miles outside the entrance to the lake. Because of the shallow bar across the entrance, ocean ships cannot enter the lake itself and the "toy tankers" carry the oil to deep water.

Competition has always been exceptionally keen between the three leading producers—Royal Dutch-Shell, the Gulf Oil Company and Lago Oil and Transport, a subsidiary of the Standard Oil Company of Indiana.

In one of the most important fields, the Lagunillas and La Rose-Ambrosia area on the eastern shore of Lake Maracaibo, there was much wasteful competitive drilling until early in 1930, when a curtailment program was agreed upon. In this area, the Lago interests own the lake bed, Royal Dutch controls the lake shore, and Gulf Oil operates in what is known as the Maritime Zone, a strip of land about 1,000 yards wide, just back from the border of the lake. This field is the most prolific in all South America; the Lagunillas area alone has produced 163,000,000 barrels of oil since its discovery in 1926. The output of the three principal companies for 1929 amounted to 90,000,000 barrels, or 65 per cent of the total.

Though much has been accomplished and the condition of present-day Venezuela is incomparably better than that of two decades ago, it would be rash to predict that the country will never again be the scene of revolt and upheaval. The iron hand of Gomez has brought order out of chaos, but when that hand relinquishes its grasp, a struggle for power may well take the place of orderly election.

Under Gomez's administration, the expression of native opinion has been discouraged. The dictator-President has opponents and enemies who would unseat him if it were possible, but his present control of the army, as its Commander-in-Chief, and the powers which he holds under the revised Constitution of 1925 make his position nearly impregnable. President Perez, elected in May, 1929, can appoint or remove Cabinet Ministers, declare war, convoke Congress in special session or suspend civil rights when necessary, but only in conjunction with the Commander-in-Chief of the army, the real power behind the Presidential chair. Gomez still rules Venezuela and until he leaves the scene, there is but small prospect of the country's tranquillity being disturbed.

# The Making of the Turkish Republic

By CALEB F. GATES

*President, Robert College, Istanbul*

[The author of this article is an American who for the last fifty years, since he was 24, has lived and taught in Turkey, first as a missionary, then as President of Euphrates College, Harpoot, and finally, since 1903, as President of Robert College, Istanbul. He was also Chairman of the Near East Commission in Constantinople from 1917 to 1919.]

THE allied powers made Turkey a republic by furnishing the opportunity for the expression of forces already at work in the minds of the Turks. My own mind was opened when I went with the Near East Relief Association into Asia Minor on their first relief train in March, 1919. Everywhere I saw the allied powers making use of Armenians as interpreters and officials, because of their knowledge of the languages, and these Armenians were behaving arrogantly toward the Turks, who were burning with resentment. The Turkish population all had arms and they greatly outnumbered the Armenians. The Armenians, relying on the protection of the allied powers, were making extravagant claims to a large kingdom to be carved out of the Turkish Empire, in which they could not possibly maintain themselves against the Turks unless protected by the allied powers with armed forces. For myself, I had no illusions regarding the probability that such protection would be afforded to them. For nearly fifty years I have watched the politics of the European powers

in the Near East, divided by mutual jealousies and ambitions for territorial aggrandizement. Their intervention in behalf of the Christian minorities has aggravated the evils from which those minorities suffered. Intervention in the internal affairs of a nation to be beneficial must be effectual. The intervention of the Allies at this juncture was sure to stop short of effectual action, as it had in the past.

Since I landed in Turkey, on my twenty-fourth birthday, in 1881, I had labored for the Christians, while always ready to do what I could for Turks also, and now I watched with consternation the kindling of passionate hatred between Turks and Christians. I looked forward with anxiety to the time when the Christians, abandoned by the Allies, would feel the full force of the passions that had been aroused.

Upon my return to Constantinople I warned the Christians that it was impossible for them to realize their dreams of independence at this time. The Greek Consulate in Constantinople telegraphed to Paris, warning their people against me, and I was called "pro-Turk," which to many people ended all discussion. Having remained in Constantinople during the war, I now started for America, stopping on my way in Paris to give my views on the Turkish question to the National Council of Armenians. The



interview was extremely saddening to me. The policy of the Armenians seemed to me suicidal, since it could not be realized and would lead to their destruction. I found them bent on pressing extravagant claims for territory which was to be taken from the Turks and given to them. But who was to take it from the Turks? In New York the Greek Minister told me that if the powers would permit it Greece would land 100,000 men in Turkey and conquer the Turks for the powers. I looked upon this as chimerical, but shortly after I learned with dismay that Greek forces had landed in Smyrna under the protection of the allied fleets on May 15, 1919. The usual atrocities took place, usual when the armed forces of nations, inflamed with hatred toward one another, get an opportunity to vent their hatred upon helpless victims.

It is easy to see why the allied powers permitted and encouraged Greece to take this step. They were already committed to the partition of Turkey between them. But they had delayed the settlement with Turkey too long, thinking that their chief concern was with Germany and her allies. During this period of delay a number of political associations had sprung up in Turkey. The Christians formed associations for the establishment of independent kingdoms or republics, such as the Greek kingdom of Pontus on the Black Sea, and the kingdom of the Armenians, between the Mediterranean and the Black Sea. The Kurds also agitated in favor of an independent Kurdistan. All these were to be carved out of the Turkish Empire. The Turks formed associations to defend their country against partition and to maintain their independence.

Who was to take possession of Turkey and carry out the plans for her dismemberment, expressed in the Treaty of Sèvres, which died stillborn? The peoples of Great Britain, France and Italy were war-weary and would not sanction any further wars for the

conquest of territory. At this juncture the offer of Greece seemed to afford the Allies an escape from the dilemma. Greece was to conquer Turkey to enable the Allies to divide the spoils. Was ever a more cynical proposition evolved among the nations? The Allies overrated the military power of the Greeks and underrated the power of resistance of the Turks. They failed to realize how the invasion of Turkey by the Greeks—their hereditary foe—would arouse the anger and the patriotism of the Turks. Had the Allies themselves taken possession of Asia Minor, it is conceivable that the stolid Anatolian peasant would have acquiesced, but when he learned that the Greeks, his ancient enemies, were invading his fatherland and would soon take possession of his home and his fields his anger rose. He did not want war; he wanted peace and the opportunity to live with his family and to till his fields, but if the peace offered him threatened his family with destruction and robbed him of his fields all its benefits would be lost to him.

The situation of Turkey seemed hopeless. The army, broken up and scattered in different districts, was without adequate arms and munitions. Many influential Turks believed that it was not possible to organize any adequate resistance to the demands of the allied powers. They must simply strive to save what they could out of the ruins of the empire, and to put themselves under the protection of a great power. The government in Constantinople, under Sultan Vahid-ed-Din and his Prime Minister, Damad Ferid Pasha, was committed to the policy of maintaining the Sultanate and the Caliphate under the protection of Great Britain, to whom Turkey would become a vassal. The country was not yet prepared to break with the government of the Ottoman Sultans. Where could a man be found who could weld together the moral and physical forces of the nation and

organize resistance to the subjugation of Turkey?

On May 16, 1919, the day after the occupation of Smyrna by the Greeks, Mustapha Kemal Pasha left Constantinople for Anatolia under a mandate from the Sultan to pacify the eastern provinces. He had obtained full powers over the military forces in those provinces. Secretly he was not in accord with the Sultan's government, having already put himself in contact with men who wanted to save Turkey from dismemberment and vassalage. Landing in Samsun, on the Black Sea, on May 23, 1919, he went on to Amassia. There he consulted with military commandants, and he sent out a circular letter to all parts of Anatolia, the principal points of which, as given in his address to the National Assembly in Ankara, in October, 1927, were the following:

The unity of the country and the independence of the nation are in danger.

The Central Government is not competent for the task for which it has assumed responsibility, as a result of which our nation is considered as non-existent.

Only the energy and the will of the nation can save its independence.

A national assembly, protected from all foreign influence, and free from all control, is indispensable to examine the situation of the nation, and to make known to the world its claim to its rights.

It has been decided to convene a national congress at Sivas.

The task which Mustapha Kemal Pasha and his associates had assumed was colossal. They must arouse the population of Anatolia and make them know the gravity of the situation. News penetrated slowly into the provinces. The Constantinople government was seeking to frustrate the movement by recalling governors favorable to the national movement and ordering the arrest of leaders of the movement. Great Britain and France were threatening to occupy Asia Minor with armed forces to enforce submission. It was not easy to accustom the people to the idea that the

nation must break with the government of the Sultans in Constantinople. The peasants must be called for military service, trained and furnished with arms and munitions.

Mustapha Kemal Pasha was chosen head of the movement, though not without opposition. There were many influential Turks who believed that it was impossible for Turkey alone to withstand the pressure of the Allies and that their only hope was to seek a mandate over Turkey under a power which would deliver them from the other powers. Some urged that the United States should be asked to take this mandate, thinking that the American Commission, then in Turkey, had given assurance that it would be accepted if it were offered. But Mustapha Kemal Pasha and his associates held strongly that Turkey must save her own independence; that any mandate would rob her of independence.

The history of the long struggle is well known. Victory came at last. The Greeks were driven out of Asia Minor, leaving behind them smoking ruins and weeping women. After the military campaign came the diplomatic campaign at Lausanne, where Ismet Pasha steadfastly maintained the claims which had inspired the Turks in the military struggle—Turkey must be independent and undivided, and the capitulations must be abolished. The issue of the Lausanne Conference was clear from the start. The Allies wanted to maintain the demands upon Turkey which they had advanced, but they had no armed forces to enforce those claims. The Turks alone had an army on a war footing, which they would certainly use if their claim to sovereignty and independence were not conceded. The Treaty of Lausanne, signed on July 24, 1923, freed the Turks from all intervention on the part of the European powers. They could now devote their energies to building up their country and to repairing the ravages wrought by the war.

Ankara was chosen as the capital



because it was secure from attack by sea and centrally located. A National Assembly was formed, which was at first invested with both legislative and executive functions. It has been found necessary to modify this plan by separating the executive from the legislative to a considerable extent, but the fundamental principle of Mustapha Kemal and of the new Turkey still is that sovereignty belongs to the nation. It was to the nation that they had appealed to save the country from foreign domination, and the people had responded to the call. Men, women and children gave all they could to save their country from a foreign yoke, and now the Turkish leaders held that the people must be made fit to wield their sovereignty by becoming educated and economically independent. On Oct. 29, 1923, the Grand National Assembly adopted an amendment to the Constitution designating the Turkish nation a republic.

Two causes moved the Turks to adopt a republican form of government. First, revolt against the age-long despotism of the Ottoman Sultans. No one who has not experienced it can adequately measure the constant apprehension and the repression from which the Turkish people suffered during the thirty-odd years of Abd-ul-Hamid's reign, to say nothing of the cruelties, the oppressions, the drain upon the resources of the country to support the Sultans, their harems and their courts. No sensible man can view the history of the Ottoman Sultans with any complacency. Present-day Turks repudiate the deeds of the Sultans, as they do the massacres of the Christians. They say, "The Turkish people were not responsible for these cruelties." Nevertheless, the Turks who repudiated the massacres of Christians perpetrated the Armenian massacres of 1895-96, acting, as they believed, under orders from the highest authority. The deportations carried out during the war were executed by military forces under orders from the ruling trium-

virate, Enver, Talaat and Djemal Pashas.

There was strong opposition to making Turkey a republic. Many influential Turks wished to retain the Sultanate, or, if that were abolished, wished to place the Caliph at the head of the government and so to retain the prestige of the dynasty and the place of Turkey in the Moslem world, through the Caliphate. They felt that without Sultanate and Caliphate Turkey would be reduced to the place of a small power without prestige. To this Mustapha Kemal Pasha replied that with a population of only thirteen or fourteen million, Turkey had no power to exercise the Caliphate over the Moslem peoples of the world, many of whom were living under foreign governments.

It was also felt that if the Ottoman dynasty were to be prolonged it would mean a reign of intrigue such as there had been in the past and in recent years during the negotiations with the allied powers. The question came to a head when it was proposed to send delegates to the Peace Conference in 1922. Should these delegates represent the government of the Caliph or the government of the Grand National Assembly or both? Mustapha Kemal Pasha declared that there could be but one government of Turkey, the government of the National Assembly. The leaders of the national movement had no confidence in the Caliph and his party and were not willing to submit to his control. What course was then open to them? They might have established a new dynasty, with Mustapha Kemal Pasha as its head. Some even urged that he should become the Caliph, a proposition which he rejected. From the first Mustapha Kemal had declared that the Government of Turkey was a government of the people, and hence it could assume no other form than that of a republic. They had to lead the thinking of the people step by step toward a break with the old dynastic government and the adoption of a

new democratic system. The opposition was strong, rallying its forces around the idea of maintaining the prestige and power of the old dynasty and thus retaining Turkey's place among the nations of the world. There was also strong opposition from men influenced by personal ambition who desired position and power for themselves in the new movement.

Religious elements also were in opposition. Without a Caliph the religion of Islam seemed deprived of its head. What place was there for a Caliph in a republic? It seemed like an attack upon the people's religion. Mustapha Kemal replied that religion must be freed from the control of the State and relegated to its rightful sphere in the conscience of the people. This sharp break with all the religious traditions of the past was very distasteful to the old religious leaders. It was the opening of a new era in the history of Turkey, and only the firm determination of the new government could make it successful. More and more clearly the incompatibility of the Caliphate with a democratic system and the danger of attempting to retain the Caliphate became manifest to the leaders of the new Turkey. The Caliphate would always seek political power. It could not be maintained as a purely religious institution.

The fact that democratic ideas were an inheritance of the Turks from their ancestors also favored the republic. Those of us who watched the expression of opinion in the press, after the Turks gained liberty to express themselves freely, were astonished at the liberal ideas and principles put forth. These did not accord with the conventional estimate of the Turks. Evidently there had been a long preparation in the minds of the Turkish people, which had been quite hidden

from the world. Into this preparation had gone ancestral, moral principles of democracy. They began to revert to their early ancestry, before the Ottoman Turks came upon the scene. Desirous of escaping from the Ottoman inheritance they soon dropped the name Ottoman and called themselves simply Turks. They sloughed off the Sultanate, the Caliphate, the distinctive Ottoman costume, the schools and the institutions which had perpetuated ancient religious teachings, and they turned toward the Western World for substitutes. Into this preparation had gone also influences from the Western World and from Greece, their near neighbor. Slowly but persistently these influences had been seeping in through the barriers that shut in the Turks.

Mustapha Kemal Pasha is a strong man, ruthless, of indomitable will, and a real thinker. He has dominated and directed the thinking of the Turks to a degree which entitles him to be called a great man, but he could not have succeeded in this colossal task had it not been for qualities in the men associated with him and in the Turkish people that responded to his leadership and seconded his efforts. There is considerable truth in the claim which the Turks are making that their republic is a government of the people. True, there is much of absolutism in their present system of government, but there is also a strong determination to raise their people to the level of the task which belongs to them in a republic.

Old traditions do not die out suddenly; a nation cannot be transformed in a day, but the Turkish revolution is a remarkable uprising against despotism and an earnest struggle to reform a nation. Turkey has had her revolution and is now entering upon her reformation.



# Typhus in the New World

---

By WATSON DAVIS

*Managing Editor, Science Service*

---

THE flea for the first time has been definitely incriminated as a factor in the transmission of typhus fever in this country. Experiments proving this have just been reported by Drs. R. E. Dyer, A. S. Rumreich and L. F. Badger of the United States Public Health Service. Typhus fever in the Old World seems to be of slightly different type from the disease in the New World and is transmitted by the body louse. Generally called jail or ship fever, it has been very prevalent in jails, crowded barracks and ships, city slums and wherever people live in congestion and filth. But in the United States the disease has never reached epidemic proportions and for many years very few cases have been reported.

The fact that the disease occurred in people who were not infested with lice led American investigators to suspect that some other insect was transmitting typhus fever in this country. Drs. Dyer, Rumreich and Badger investigated cases of typhus which occurred in the immediate vicinity of food-handling establishments at Baltimore in the late Summer and Fall of 1930. These premises were found to be infested with rats. When the animals were trapped and combed about three dozen fleas and their nests were obtained. The fleas were ground up and the emulsion injected into guinea pigs, which contracted a disease like typhus fever. The clinical symptoms and the appearance of the organs and tissues corresponded with the symptoms and signs in other guinea pigs that had

been inoculated with a strain of American or New World typhus fever. Guinea pigs which had recovered from an attack of endemic typhus produced by the New World strain were apparently immune to subsequent inoculation with the strain obtained from the flea emulsion.

Typhus fever is not to be confused with typhoid fever. The latter is caused by a bacillus, the former by a virus too small to be seen through the most powerful microscope. Typhus fever is transmitted by the bite of infected lice and probably by fleas, but typhoid is transmitted by infected food, water or milk, and chiefly attacks the intestines. Typhoid fever is less often fatal than typhus fever. There is no known vaccine for typhus fever, while there is a preventive inoculation for typhoid.

From the astronomical observatory to the movie lot a new triple-fast photographic emulsion has come to make motion picture production cheaper and more flexible. The motion picture film is described by the producing company as "the greatest advance in motion picture materials since the introduction of panchromatic film eighteen years ago." Its sensitive emulsion is very closely related to one prepared for astronomical photography which has been used to reduce the time required for making exposures through large telescopes. An improvement in the photographic plates used is just as effective in this case as though the telescope itself were increased in size. The super-speed pan-

chromatic plates produced for newspaper photographers are also very similar to the new movie emulsion.

When the movies went talkie it was necessary to banish the familiar arc lamps on account of their noise. Large incandescent lamps called "inkies" are used. These are rich in red light, which does not register effectively on ordinary movie negative. The new super-sensitive film is affected by both red and green light much more than the film previously used. Camera men will now be able to "stop down" their lenses and get increased depth of focus which will allow the actors to move around with less fear of getting out of focus.

Abnormal temperatures in sick plants, similar to fever in germ-afflicted animals, have been observed by Dr. Walter N. Ezekiel and Dr. J. J. Taubenhaus, Texas plant pathologists, in the leaves of plants attacked with root rot. Their observations, made with the aid of both mercury thermometers and electrical temperature-measuring devices, showed that the leaves of afflicted plants were about 3 degrees warmer than those of healthy plants. The disease that causes this "fever" symptom in plants is one of the most serious menaces to plant life in this country, especially in the Southwest. There it has been especially harmful to cotton, though it attacks several hundreds of other species, including ornamental plants as well as agricultural crops. Its yearly damage in the State of Texas alone is estimated at \$100,000,000.

Root rot is caused by a bacterium that is appropriately named *Phymatotrichum omnivorum*, for it does eat nearly everything. As it lurks in the soil, once a field is infected it is next to impossible to eradicate the bacterium. Experiments have shown that it cannot stand acid soils, and it may eventually be possible to combat it by raising acid-tolerant crop plants and making the soil too acid for the crop. This proposed procedure, however,

has not yet been put into practical use. The most successful strategy at present is to raise early cotton varieties and to encourage them to hurry up their boll production by means of appropriate fertilizer applications. In this way the crop sprints ahead of the disease, finishing its work before the bacteria can catch up.

Three signs like "hen-tracks" cut into a broken scrap of a pottery jar are new evidence on the antiquity of the alphabet, according to Professor Romain Butin of the Catholic University of America. Found at the ruins of the Canaanite royal city of Gezer, this bit of clay is evidence that alphabet writing existed in the world as early as the nineteenth century B. C. It appears that the Canaanites, who held the Promised Land before the children of Israel appeared to claim it, were a people who not only knew a system of writing, but had an alphabetic system. The scrap of writing is now regarded as one of the most important archaeological discoveries made in Palestine in many years. And, strange to say, when it was discovered some months ago it was set aside with objects a thousand years younger than itself and thought to be no older than they.

The Sinai alphabet writings show traces of having evolved directly from Egyptian picture writing, and thus they are looked upon as a real missing link in alphabet evolution. The fragment of pottery from Gezer makes it clear that the Sinai alphabet is older than 1600 B. C., probably as old as 1900 B. C. The method of dating the writing was to ask three experts independently to pronounce upon the age of the pottery fragment. All three said that it belonged to the Middle Bronze Age of Palestine, which was between 2000 B. C. and 1600 B. C. The three letters on the fragment are the oldest writing ever found in Palestine. The meaning of the letters is said to be "children of," the rest of the inscription being broken off. Probably the inscription was an



ownership mark and was similar in character to the familiar title Children of Israel used centuries later.

The search for additional alphabetic inscriptions at Sinai has recently yielded fourteen tablets of stone. Professor Butin was among the discoverers who found these inscriptions in a sleeping shelter. The stones are thought to have been signs, placed about to warn off intruders and to show the ownership of the shelter. The region of the Sinai Peninsula where the inscriptions have been found at different times is the site of an ancient turquoise mine, worked by laborers of the Egyptian pharaohs. The alphabet idea was probably thought of just once in the world's history, Professor Butin believes. But after that it was applied to different forms of script by men of inventive turn of mind who sought to simplify the business of writing.

The Sinai alphabet was one simplification. Two other evidences of the alphabetizing process have come to light very recently. One is the alphabet found at Ras Shamra, in Syria. This was based on cuneiform signs. The other is a semi-alphabetic writing found in Byblos, in Syria. A broken stone tablet bearing 119 symbols was found at this site in the course of excavations at an old house. Thirty-eight different symbols could be distinguished in the writing, but this was too many for a real alphabet and too few for real hieroglyphics.

More than one-tenth of the subjects of insanity of the type known as dementia praecox are suffering from thyroid deficiency, Drs. R. G. Hoskins

and Francis H. Sleeper of the Memorial Foundation for Neuro-Endocrine Research, Boston, have concluded after a survey of the problem in the Worcester State Hospital for mental disease. In an intensive study of 130 cases they found that eighteen of the patients suffered from too little thyroid secretion. Sixteen were given thyroid treatment. Fourteen showed significant improvement in mental condition. Five became well enough to go home. It was pointed out that allowance must be made for the tendency to spontaneous improvement in this type of mental disease, but the favorable results were all the more striking in that hopeful cases were systematically excluded from the series.

In the various mental hospitals of the country there are 140,000 victims of this disorder, and many more are incapacitated at home. These represent an economic loss to the country of more than \$1,000,000 a day. The cost in human suffering is incalculable, while each case represents a wrecked life and a grave social maladjustment. Partly because of the intrinsic difficulties of the problem, but largely because of insufficient personnel in mental hospitals the disorder is receiving far less attention at the hands of investigators than its tragic importance merits. Judging by the number of published articles in English as listed in the *Quarterly Cumulative Index Medicus* for 1929 dementia praecox is, relatively speaking, grossly neglected. In that year 675 articles were published on tuberculosis, 223 on cancer and even 34 on measles; dementia praecox was the subject of but 32.

# Birth Control: Protestant View

## *Full Text of the Federal Council Report*

THE Federal Council of the Churches of Christ in America, an official organization including between 21,000,000 and 22,000,000 American Protestant Church members, has issued the statement printed below on its attitude in regard to birth control. While the statement may be considered as a formulation of the Protestant point of view, it is addressed primarily to the twenty-seven denominations which elect or appoint delegates to the Federal Council. The relations between the Council and the Protestant Episcopal Church are co-operative and the connection with United Lutherans is only consultative. The Council itself consists of 400 members designated by the several denominations to act for them in cooperation with the other Churches.

Since its formation in 1908 the Federal Council has greatly increased its influence and activities in the United States, and in a cooperative sense in many other countries of the world. In the United States it represents its constituent Churches in matters of common religious and moral interest. Through its social service commission, its commission to improve race conditions, its international friendship and good-will societies, and its other activities, it aims to assist everything designed to promote the social, moral, religious and educational welfare of mankind.

The statement on birth control, prepared by the Federal Council's Committee on Marriage and Home, is the result of more than a year's work, during which the committee was assisted by eminent physicians and psychologists, including leaders from the New York Academy of Medicine.

While the text of the statement contains minimum majority and minority points of view, the committee is in agreement on the major part of the document. The difference in points of view represents similar divergence in Protestant opinion and in the medical profession itself. The conclusion of the large majority

of the committee is that the use of contraceptives by married people for the purposes mentioned in the report is valid and moral, and that this undoubtedly represents the prevailing Protestant point of view.

The report is signed by the following:

Rev. HOWARD C. ROBBINS, D. D., Professor, General Theological Seminary, former Dean, Cathedral of St. John the Divine, New York City, *Chairman*.

Rev. WORTH M. TIPPY, D. D., Executive Secretary, Commission of the Church and Social Service; Executive Chairman, Church Conference of Social Work, Federal Council of Churches, *Secretary*.

Miss AMELIA WYCKOFF, Secretary, Church Conference of Social Work, Federal Council of Churches, *Assistant Secretary*.

Rev. ALBERT W. BEAVEN, D. D., President, Northern Baptist Convention; President, Colgate-Rochester Divinity School, Rochester, N. Y.

Rev. EDWIN T. DAHLBERG, D. D., Pastor, Maple Street Baptist Church, Buffalo, N. Y.

Rev. RALPH MARSHALL DAVIS, D. D., Chairman, Committee on Marriage, Divorce and Remarriage of the Presbyterian Church; Pastor, Church of the Covenant, Erie, Pa.

Rev. JOHN W. ELLIOTT, Director, Division Social Education and Young People's Work, American Baptist Publication Society, Philadelphia, Pa.

Mrs. JEANNETTE W. EMRICH, former Associate Secretary, Commission on International Justice and Good-Will, Federal Council of Churches.

Mrs. JOHN FERGUSON, President, National Council of Federated Church Women.

Dr. G. WALTER FISKE, Professor, Oberlin College, Graduate School of Theology, Oberlin, Ohio.

Right Rev. CHARLES K. GILBERT, D. D., Suffragan Bishop of New York.

Mrs. ABEL J. GREGG, Executive Secretary, The Inquiry, New York City.

ABEL J. GREGG, Secretary, Home Division, National Council of the Young Men's Christian Association.

Dr. ERNEST R. GROVES, Professor, Institute for Research in Social Science, University of North Carolina.

Mrs. ORRIN R. JUDD, President, Council of Women for Home Missions.



Dr. PERCY G. KAMMERER, Provost, Avon Old Farms, Avon, Conn.

Rev. BEN R. LACY, D. D., President, Union Theological Seminary, Richmond, Va.

Rev. JOHN W. LANGDALE, D. D., Book Editor, The Abingdon Press, New York City.

Rev. JOHN A. MARQUIS, D. D., former Moderator, General Assembly of the Presbyterian Church.

Rev. WILLIAM S. MITCHELL, D. D., Pastor, Wesley Methodist Episcopal Church, Worcester, Mass.

Mrs. W. A. NEWELL, Chairman, Bureau of Social Service, Woman's Missionary Council, Methodist Episcopal Church, South, Greensboro, N. C.

Mrs. I. H. O'HARRA, Member, Social Service Committee, Northern Baptist Convention, Philadelphia, Pa.

Mrs. J. SCOTT PARRISH, Presbyterian Church, Richmond, Va.

Mrs. JOHN D. ROCKEFELLER Jr., Member, National Board of the Young Women's Christian Association.

Mrs. ROBERT E. SPEER, President, National Board of the Young Women's Christian Association.

Rev. ALVA W. TAYLOR, D. D., Secretary, Board of Temperance and Social Welfare, Church of Christ Disciples; Professor of Social Ethics, Vanderbilt University, Nashville, Tenn.

GEORGE W. WICKERSHAM, former United States Attorney General.

Rev. B. S. WINCHESTER, D. D., Educational Secretary, Federal Council of Churches.

The following is the full text of the report:

## MORAL ASPECTS OF BIRTH CONTROL

### I.

**B**IRTH control is nearing the status of a recognized procedure in preventive and curative medicine. Knowledge of contraceptives is also widely disseminated, and the question of their use has become one of great social importance. The public therefore has a right to expect guidance from the Church on its moral aspects.

In conception we are in the presence of the wonder and mystery of the beginnings of human life. In this mystery the two mates, knowingly or unknowingly, are acting creatively with God. When so understood the circumstances and incidents of conception, growth and finally of birth are astonishing manifestations of divine power, and inexpressibly beautiful. To be a mother is seen to be the supreme fulfillment of womanhood, as to be a father is of manhood. It becomes apparent, also, why sex relations are guarded as by a flaming sword, why pros-

titution is abhorrent to the conscience of mankind and why the instinct of the race regards intercourse between unmarried persons as immoral and anti-social. A man, said Christ, expressing the pure ideal, is not to harbor the thought of adultery in his heart.

But in the sex relations between husband and wife we are also in the presence of another mystery. "From the beginning of the creation God made them male and female," said our Lord. "For this cause," he continued, "shall a man leave his father and mother and cleave to his wife: and they twain shall be one flesh." We have here the passing of shame and the realization of the meaning of sex in the divine economy, which make the union of the two mates a supreme expression of their affection and comradeship. These relations therefore have their source in the thought and purpose of God, first for the creation of human life, but also as a manifestation of divine concern for the happiness of those who have so wholly merged their lives.

The moral problems of birth control have to do with these two functions of sex. They arise in connection with the spacing of children, the limitation of the number of offspring, the safeguarding of the health and oftentimes of the lives of mother and child on the one hand; and on the other, they arise in considering the rightfulness of intercourse in itself without the purpose of children, and consequently the rightfulness of the use of contraceptives.

Physicians have long known that under certain physical conditions of the mother pregnancy is hazardous to mother and child, and that large numbers of women are so imperiled. Although there are few women who do not desire children, the fear of untimely pregnancy rests as a recurring anxiety upon most married women for two decades after their marriage. Even with a healthy mother and a sound inheritance of bodily and mental vigor on both sides, too frequent and too numerous pregnancies are to be avoided, as undermining the mother's health and as taking her from the care of her living children. When the mother is not entirely well and the endowment is not of the best, spacing and limitations are the more necessary.

Economic considerations also enter into most cases, and in families where the mother must work outside the home the question of the number of children and of the intervals between them is most acute. Very large families tend to produce poverty, to endanger the health and stability of the family, to limit the educational opportunities of the children, to overstrain the mother and to take from

her her own chance for a life larger than the routine of her home.

The problems of overpopulation are also involved in the consideration of birth control. While overpopulation, with its consequent lowering of living standards and provocation to war, is not likely to become a general condition in this country for a considerable period, and, with the development of science and of more Christian standards of production and distribution, may never become so acute as in many countries of the Old World, it is nevertheless now pressing upon great numbers of homes in which the family is too large or the income inadequate.

As to the necessity, therefore, for some form of effective control of the size of the family and spacing of children, and consequently of control of conception, there can be no question. It is recognized by all Churches and all physicians.

There is general agreement, also, that sex union between husbands and wives as an expression of mutual affection, without relation to procreation, is right. This is recognized by the Scriptures, by all branches of the Christian Church, by social and medical science and by the good sense and idealism of mankind.

As to the method of control of conception two ways are possible. One is the use of contraceptives, or methods other than abstinence, which may be classified as such. The other is self-control or abstinence for longer or shorter periods of time. Both may be considered as forms of birth control.

As to the rightfulness of the use of contraceptives Christian opinion is not united. The problem in its present form is a new one. The Scriptures and the ecumenical councils of the Christian Church are silent upon the subject. The Church of Rome inflexibly opposes the use of contraceptives as contrary to Christian morals. In the Anglican communion opinion is sharply divided, as indicated by the fact that at the Lambeth conference of 1930 the resolution approving birth control under certain conditions was the only vote during the conference which indicated division of opinion upon a question of fundamental importance. It is known that opinion in the churches of the United States is divided, as is also the medical profession, but nobody knows as yet the prevailing opinion. Under the circumstances, the problem requires unprejudiced study, and guidance should be sought from the Holy Spirit, the Lord and Giver of Life. It should be expected that guidance will find expression through the researches and experience of physicians and men of science as well as through the corporate conscience of the Church.

Whatever the final conclusion may be, the committee is strongly of the opinion that the Church should not seek to impose its points of views as to the use of contraceptives upon the public by legislation or any other form of coercion; and especially should it not seek to prohibit physicians from imparting such information to those who in the judgment of the medical profession are entitled to receive it.

So far the Committee on Marriage and Home is in agreement. But at this point it has been found necessary to express divergent views. Perhaps such honest differences, frankly expressed, may have compensating value in helping Christian people to face the issues involved, especially since they mirror also the perplexity in the public mind.

## II.

A majority of the committee\* hold that the careful and restrained use of contraceptives by married people is valid and moral. They take this position because they believe that it is important to provide for the proper spacing of children, the control of the size of the family and the protection of mothers and children; and because intercourse between the mates, when an expression of their spiritual union and affection, is right in itself. They are of the opinion that abstinence within marriage, except for the few, cannot be relied upon to meet these problems, and under ordinary conditions is not desirable in itself.

But they cannot leave this statement without further comment. They feel obliged to point out that present knowledge of birth control is incomplete, and that an element of uncertainty, although it is small, still remains. More serious is the fact that all methods are as yet more or less subject to personal factors for their effectiveness. Married couples should keep these facts in mind and welcome children should they come.

The public should be warned also against advertised nostrums, which are beginning to appear in thinly disguised forms in reputable periodicals, and so-called "bootlegged" devices at drug stores, for which there is no guarantee of safety against injury or of suitableness for individual cases. It is essential to consult the family physician or to go to established clinics or health centres for information and assistance.

\*Albert W. Beaven, Edwin T. Dahlberg, Ralph Marshall Davis, John W. Elliott, Jeannette W. Emrich, Frances MacMillan Ferguson, G. Walter Fiske, Mrs. Abel J. Gregg, Abel J. Gregg, Ernest R. Groves, Percy G. Kammerer, John W. Langdale, John A. Marquis, William S. Mitchell, Margaret Justin O'Harra, Edith Winch Parrish, Abby Aldrich Rockefeller, Alva W. Taylor, Worth M. Tippy, George W. Wickersham, Benjamin S. Winchester.



That serious evils, such as extra-marital sex relations, may be increased by a general knowledge of contraceptives must be recognized. Such knowledge, however, is already widely disseminated, often in unfortunate ways, and will soon be universally known. Guided by the past experience of the race as to the effects of scientific discovery upon human welfare, we should expect that so revolutionary a discovery as control of conception would carry dangers as well as benefits. Society faces a new problem of control with each fresh advance of knowledge. If men generally cannot properly use the knowledge they acquire, there is no safety and no guarantee of the future. These members of the committee believe that the undesirable use of contraceptives will not be indulged in by most people, and that if the influence of religion and education are properly developed the progress of knowledge will not outrun the capacity of mankind for self-control. But if the sex impulse and the use of contraceptives are to be kept under moral control, the Church and society, including parents, must give greater attention to the education and character-building of youth, and to the continued education of adult opinion.

### III.

A minority of the committee<sup>†</sup> believe that sufficient stress has not been laid upon the idealistic character of the teachings of Jesus concerning marriage and its obligations. His sayings concerning divorce seemed "hard" to the Disciples. They said to Him, "If the case of a man be so with his wife, it is not good to marry." His answer was, "All men cannot receive this saying, save they to whom it is given." In another connection He said, "With men it is impossible, but not with God: for with God all things are possible." The command governing all cases of conflicting duties is the command of the absolute: "Be ye therefore perfect, even as your Father which is in Heaven is perfect."

In view of the widespread doubt among Christian people of the morality of the use of contraceptives, and the scruples experienced by many in making use of them, it appears to these members of the committee to be the plain duty of the Christian Church, when control of conception is necessary, to uphold the standard of abstinence as the ideal, recognizing it as a counsel of perfection, and that Christian morals are much more exalted than is generally supposed. But they would point out that the grace of God is

sufficient for those who are conscious of a difficult and high vocation; and that we have as yet but touched the fringes of spiritual power which is all about us like God's gifts of air and sunshine. Those who adventure and trust are rewarded, and they know the joy and strength which accompany all victories of the spirit.

The method of abstinence is therefore to be used to meet conditions and situations in which otherwise contraceptives would be necessary. This does not mean that sex relations between married people as an expression of mutual affection are wrong, but that they are to be denied when child-bearing is hazardous to the well-being of mother or child or the household. That this is possible is shown by the large number of unmarried people who lead chaste lives, and by the number of married couples who practice self-control at all times and abstinence when necessary.

### IV.

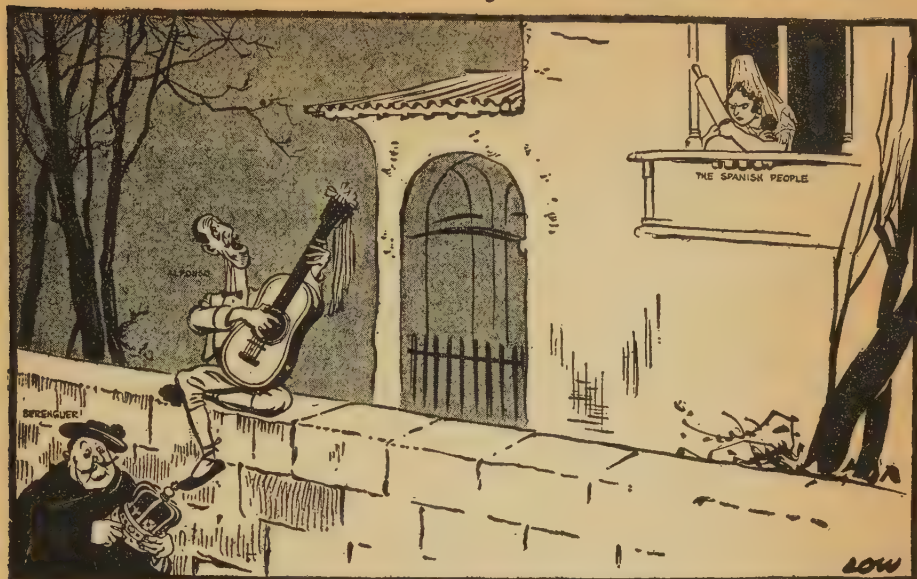
Finally, the entire committee unite in calling attention, and most earnestly, to the importance of a spiritual adjustment of the physical relations between husbands and wives. All natural desires, however sound and wholesome, must be kept within bounds. If this applies to eating and drinking, how much more to the fateful and powerful impulse of sex. If marriage centres upon sex indulgence it is sure to result in unhappiness and usually in disaster. A high degree of self-control, especially during the early years of married life when marital habits are forming, is necessary to the happiness of the mates and the spiritual life of the home.

To attain this command of the sex impulse, and this mutual and sensitive consideration for one another, husbands and wives are urged to keep ever in mind that marriage is a divine institution and that they are cooperating with God in their union and in the conception and rearing of children. Their personal relations are therefore sacred and in the Divine care. These relations are always at their best when the two live together in the daily consciousness of the presence of God. Things which they might not be able to accomplish unaided are abundantly possible through His help.

If marriage is recognized as a divine institution, if God is an Unseen Presence in the home, if the child has its great place in marriage, if sex experiences are kept as a mutual expression of comradeship and affection, then marriage becomes the happiest, the noblest and the most enduring of human relationships.

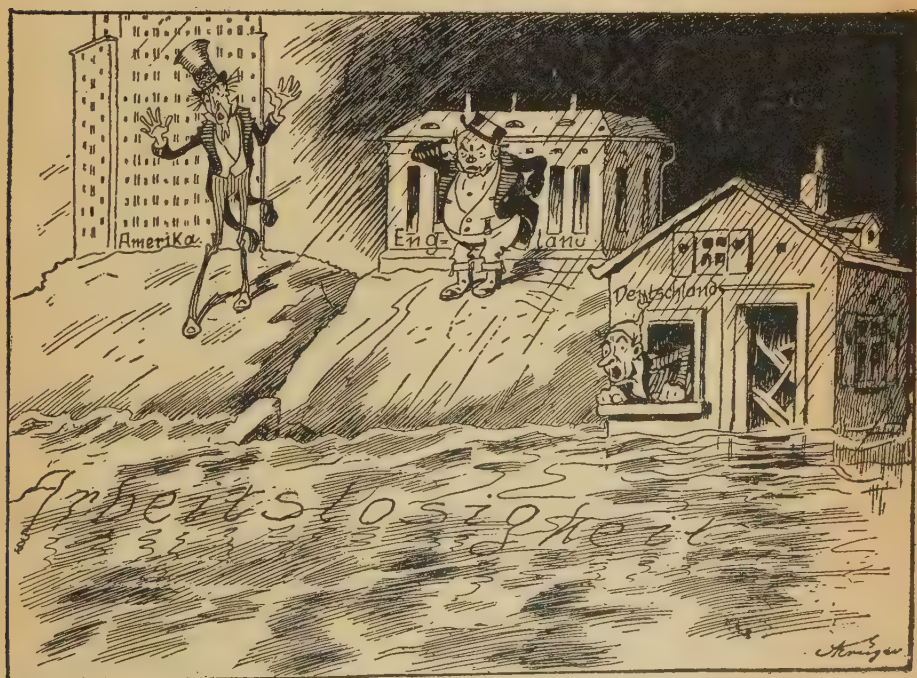
<sup>†</sup>Mrs. Orrin R. Judd, Howard C. Robbins, Emma Bailey Speer.

# Current History in Cartoons



THE ANXIOUS SERENADER

—Glasgow Evening Times



UNEMPLOYMENT

The modern flood

—Klammer, Berlin





### THE LION AND THE MOUSE

Gandhi, the most powerful factor in Indian peace

—*Brooklyn Daily Eagle*



### THE SELF-CHUKKER

Mr. Churchill retires from the business committee of the Conservative party. (Rare piece of the Mogul School; eighteenth century)

—*Punch, London*



### ANOTHER CASE OF CIVIL DISOBEDIENCE

Mr. Churchill disapproves of British policy in India

—*The Daily Express*



#### FRANCE AND POLAND AT THE LEAGUE

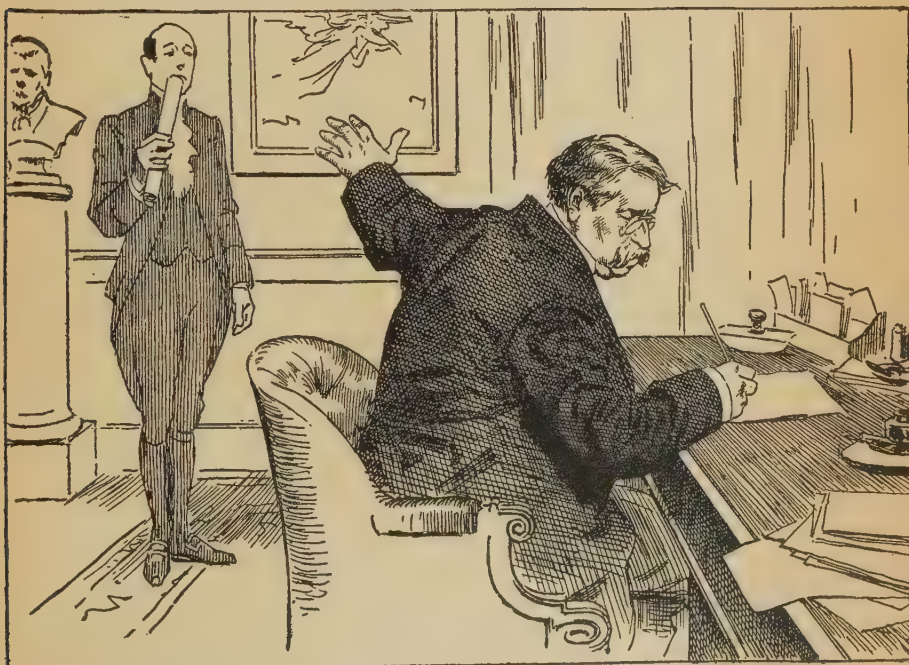
France: "No angel is as pure as my child" (Germany protested against Poland's treatment of German minorities)  
*—Kladderadatsch, Berlin*



#### GERMAN FASCISM

Hitlerites: "If heads fall, perhaps there will be one for me"

*—Der Wahre Jakob, Berlin*



#### THE PERMANENT MINISTER

"Your Excellency, there is now a new Ministry"  
 Briand: "What's that to me? Leave me in peace"

*—De Groene Amsterdammer*

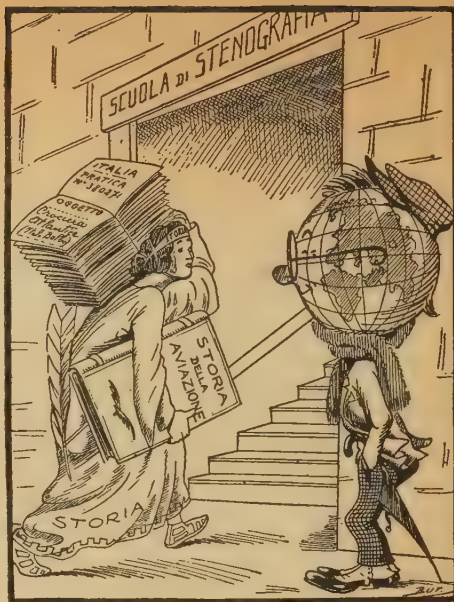




### THE LEANING TOWER

Mussolini: "And still it stands"

—*Simplicissimus*, Munich



The World: "What, learning shorthand?"

History: "I must. Otherwise I can't keep up with Italy's rapid progress"

—*Il '420*, Florence



### BORDER WATCH

—*New York World*



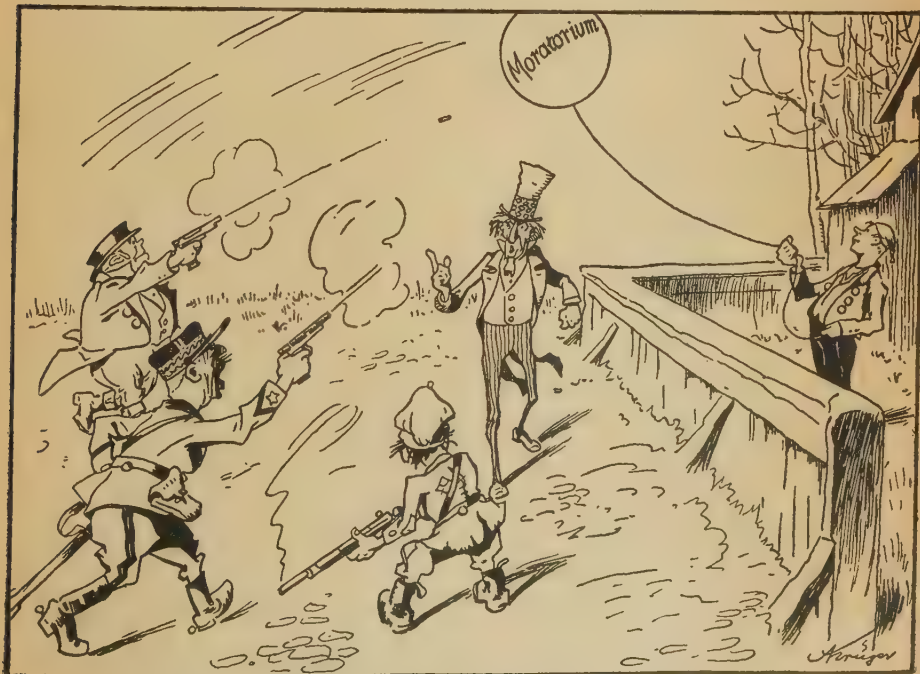
### RUSSIA AND POLAND EXCHANGE COMPLIMENTS

Pilsudski: "Now does a representative  
of the people want to speak?"

—*Pravda*, Moscow

In Soviet Russia: The triumphal march  
of communism

—*Mucha*, Warsaw



THAT THING MUST COME DOWN!

—*Kladderadatsch*, Berlin





POPULAR IDEA OF THE UNITED STATES TREASURY  
—St. Louis Post-Dispatch



THOSE EXPERT LINEMEN  
Congress passes the Muscle Shoals bill  
—New York Herald Tribune



### THE HORRIBLE EXAMPLE

Mr. Hoover: "Boys, it's an awful thought—but if things don't improve we may have to sacrifice your self-respect, rot your initiative and independence, sap your stamina and courage, and let you degenerate into poor guys like those over there"

—Glasgow Evening Times

# A Month's World History

---

## INTERNATIONAL EVENTS

**C**OULD the MacDonald Government be as successful in the handling of domestic affairs as

By JAMES THAYER GEROULD  
*Princeton University; Current  
History Associate*

it has been in the conduct of its foreign relations, it would be assured of a long life. Aside from the small group of diehard, "blue water" people, who have never accepted the results of the London conference, there are few in Great Britain who do not applaud the skill and the tact with which the delicate negotiations for a naval agreement between France and Italy have been conducted, and do not rejoice at their success. Mr. MacDonald and his Foreign Secretary, Mr. Henderson, have been, and are, tremendously in earnest. They desire passionately to assure the success of the disarmament conference a year hence. They have realized that, unless in the interim something could be done to mitigate the irritation existing between France and Italy and to secure their adherence to the London treaty, there was small hope of further progress. Mr. Henderson's Queen's Hall speech of Feb. 9 was a stirring appeal for the development of a public opinion in each country that would demand positive results. It was doubtless not due to chance that, on the day following, Robert L. Craigie, the British naval expert, renewed in Paris the effort to discover a formula of agreement that would be acceptable both to France and to Italy. In his

conversations at Rome in December, he had secured certain concessions, which were not at the time made pub-

lic, but which have evidently formed the basis for his negotiations with the French authorities.

The situation was ominous. Both nations, even before the London conference, had established themselves in positions from which it was exceedingly difficult politically to recede; but so long as they were maintained, agreement was impossible. The Italian demand for the right to complete parity of tonnage, and the French for a fleet sufficient to serve her colonial empire in addition to a force in the Mediterranean equal to Italy's, were mutually exclusive, and made it impossible for them to join in the London agreement. Any solution must permit each of the nations to claim a victory. In the meantime both were indulging in threatening gestures. France proposed to construct in 1931 a battle cruiser of 23,000 tons, a light cruiser of 7,000 tons and two submarines of 2,800 and 2,500 tons respectively. Italy replied by a threat of ton for ton. A naval competition was just ahead that might have compelled Great Britain to resort to the safeguarding clause in the treaty, and this in turn would have affected the building programs of the United States and Japan. Italy's financial situation is such that she has no de-



sire to increase her naval expenditures, and she expressed herself as ready to continue the naval holiday until the differences could be adjusted. Since some of the French tonnage is obsolescent and most of the Italian is new, she holds that at present there is substantial parity in fighting power.

After a week of discussion between Mr. Craigie and René Massigli, the French expert, Charles Dumont, the Minister of Marine, announced on Feb. 18 that he would delay for a month the presentation to the Chamber of Deputies of his building program for the year. The exact nature of the agreement reached by the two negotiators has not been disclosed, but it is rumored that, as a consequence of it, France offered to become a party to the naval treaty regardless of the action of Italy. This was by no means pleasing to the British. In such a situation, since she had assumed no limiting obligation, Italy might embark on a building program which, through the application of the "escalator" clause, would be likely to upset all the delicate adjustments of the treaty. It would, moreover, have given the Fascist Government ground for the belief that Great Britain was aligned with France in the isolation of Italy. Mr. Henderson acted quickly. On the morning of Feb. 23, he called M. Briand on the telephone, arranged for a meeting, and that evening, accompanied by A. V. Alexander, First Lord of the Admiralty, and two other experts, he was in conference at the Foreign Office in Paris. Conversations were continued the following day with such satisfactory results that, late in the afternoon, the British delegation took a train for Rome. They were cordially received by the Italians, and during the next three days there were a series of conferences, with Signor Grandi at the Palazzo Chigi and with Premier Mussolini at the Palazzo Venezia.

Through Mr. Craigie, and in direct communications to the French Gov-

ernment, the Italians had offered to postpone the decision as to parity until 1936, provided the French would reduce their demand for superiority of tonnage from 244,000—their London conference figure—to 150,000. Of this amount, 110,000 tons would be represented by vessels which would be out of commission before the expiration of the agreement, so that the actual superiority in 1936 would be no more than 40,000 tons. During the next few years France would have superiority in vessels adapted for operation on the ocean, and Italy a similar superiority in those suited to the Mediterranean. When Mr. Henderson left Rome for Paris on the afternoon of Feb. 28, he carried with him an agreement, complete except for a few details, for the settlement of the controversy that for the last year has been so disturbing a factor in European politics.

Meanwhile the news that an agreement had been reached between France and Italy was causing general satisfaction in the capitals of the powers which attended the London naval conference. Mussolini declared that the agreement "will have large and beneficial repercussions not only on the Italo-French relations but also on those of the five great naval powers." In Paris full approval was given to the agreement by the French Cabinet on March 2. President Hoover and Secretary Stimson on March 4 declared that the naval accord meant the end of competition among the five leading naval powers.

No more complete evidence of the sincerity of the efforts of the British Government to secure effective reduction of armament could be given than the announcement that, during the fiscal year ending April 1, only \$65,875 would have been expended by the Admiralty on its 1930 program of construction, and that 1944 naval officers were to be retired without replacement on April 1.

When the French Senate on March 5 ratified the Geneva protocol amend-

ing the statutes of the World Court and the law authorizing the government to adhere to the act of general arbitration, recognizing the jurisdiction of The Hague court, Aristide Briand had made one more step toward securing international peace. France is the first great power to accept the act of arbitration. Describing the act of arbitration as a logical complement to the Pact of Paris, M. Briand said that it "removed the ground for battle, but it did not set up a court of peace."

#### *THE WHEAT CONFERENCES*

It is a matter neither for surprise nor discouragement that the two conferences, the one concerned with the disposal of the 1930 surplus of Danubian wheat and the other with means for dealing with the prospective 1931 European surplus, should have had so little success. The wheat market is a world market, and it can be controlled only if the United States, Canada, Russia and Argentina are brought into the agreement. Politically, the conferences served their purpose in demonstrating this fact. The first of them, attended by delegations from all the European States except Albania, Lithuania and Portugal, met in Paris on Feb. 22. It faced the problem of marketing 30,000,000 tons of wheat, the 1930 surplus, and of financing further agricultural operations in Poland, Rumania, Hungary, Bulgaria and Yugoslavia—countries that are now staggering under farm mortgages totaling nearly \$1,200,000,000 and bearing interest at from 12 per cent to 30 per cent. Although the delegates manifested the utmost good-will, the hard facts of the situation formed an insuperable obstacle to definite agreement. The fact that Russia, which even now supplies 25 per cent of the grain consumed in Europe, was not represented; the difficulty occasioned by the most-favored nation clauses in their commercial treaties, the inferior quality of the Danubian grain as com-

pared with the Russian and that from overseas, all these things combined to create a problem that could not be solved.

Immediately after the adjournment of this conference, delegates from eleven of the States met at the Quai d'Orsay on Feb. 26. In his opening address, André François-Poncet, the president, frankly admitted their inability to deal with the situation without the cooperation of the other great grain-growing countries, and proposed that an attempt should be made to convene a congress at which they should be represented. After a day given to the discussion of the question, the conference turned to the examination of the plan for an International Agricultural Credit Bank, which had been drafted by the Financial Committee of the League. These plans call for an institution with an initial capital of \$50,000,000, related to the League in some such way as is the Bank for International Settlements. At its inception it would require a certain measure of governmental aid, but, once established, it is expected to operate on a commercial basis and be able to supply credits, based on agricultural security, at a rate as low as 6 per cent. The plan, as further elaborated, will be submitted to the European Union Conference before the next meeting of the Council.

#### *THE INTERNATIONAL BANK*

The address of Gates W. McGarrah, the president of the Bank for International Settlements, before the American Club in Paris on Feb. 12, was a notable review of the accomplishments of the first nine months of its history and a discussion of its present and prospective functions. The international character of the institution is indicated by the fact that its shares have already been distributed among twenty-two nations; that it operates in twenty-four national currencies; that its staff contains representatives of ten nationalities, and that four lan-



guages are employed in its correspondence. Reparations constitute but a small part of its business, those funds constituting less than 20 per cent of its total assets, which then amounted to \$340,000,000. Mr. McGarrah advocated the extension of long-term credits as a means for ameliorating world-trade conditions and restoring political stability. The bank is itself doing

what it can in this way. Of its investments thus far 25 per cent have been placed in Germany. One of the most important results of the formation of the bank has been the opportunity it has afforded for the regular consultation of bankers and economists at Basle. Out of this is sure to come better understanding and greater stability.

## THE LEAGUE OF NATIONS

THE Council of the League of Nations took up many interesting matters at its last meeting.

A long report was submitted and approved on the work of the International Cinematographic Institute at Rome. This work during the past year has consisted chiefly of four main projects: (a) A survey of the use of the cinema in education; (b) its use in scientific management and accident prevention; (c) censorship; (d) the framing of a draft convention for the abolition of customs for educational films.

The date of the Fourth General Conference on Communications and Transit has been set for Oct. 26, 1931. On the agenda the matter of most interest to the United States is that of calendar reform, presumably by adoption of either the plan for a calendar of thirteen months, each consisting of exactly four weeks, or a calendar of twelve months, dividing the year into four exactly equal quarters of ninety-one days each. An anonymous gift of \$10,000 has been accepted for the preparatory work on the reform of the calendar.

The report on the health work of the League carried the listeners to Africa for studies on sleeping sickness, to China for quarantine study, to Greece and Bolivia for the reorganization of their health services, to the Pacific islands of Melanesia and to Bulga-

By PHILIP C. NASH

*Director,  
The League of Nations Association;  
Current History Associate*

ria for the study of malaria, to Peru for inquiry into infant mortality, and to Bangkok to study leprosy.

Considerable time was spent on the subject of opium. The Permanent Central Opium Board outlined the necessity of securing figures of consumption of opium products from all nations, and suggested that all members of the Council be sure that they themselves had submitted the figures. It was noted that illicit smuggling of opium products is now measured by the ton or hundredweight—no longer by the ounce. Herbert L. May, the American member of the Central Opium Board, is sponsoring the move to have the May conference decide that all opium derivatives are habit-forming and must be regulated until they are "proved innocent." The Commission of Inquiry into the Control of Opium Smoking in the Far East also made a comprehensive report, with fourteen recommendations for better control and eventual abolition of the practice. It also suggested that a conference of all the governments interested be held at Bangkok, Siam, in November, 1931, and especially recommended that the Advisory Opium Board consider not only limitations of the manufacture of drugs, but also limitation of poppy cultivation.

All the countries concerned seemed much interested in this report and appreciative of the work done, except

China, whose representative, Woo Kaiseng, protested vigorously at the findings of the commission concerning his country and asked that they be stricken from the record. This was not done. Commenting on the report, the Persian representative said that, in fulfilling the recommendation that opium poppy cultivation should be replaced by other crops, Persia would not hesitate to ask for the financial assistance of the League. This was the second case—the other being that of Liberia—in which the Council was informed that smaller League members faced with League recommendations for social reorganization would expect financial assistance from the League in accomplishing the suggested ends.

The Advisory Opium Committee also held a long and important session, closing on Feb. 7. It studied carefully the draft convention that is to form the basis of the general opium conference in May. The "quota" plan still continues to be the favored plan, but it is agreed that the plan of "stipulated supply" promulgated by C. K. Crane of Los Angeles will come before the conference. The committee discussed very frankly the conditions of illicit traffic in various parts of the world. For instance, it seems that fourteen tons of narcotics are exported from Turkey and enough imported into China to poison hundreds of thousands of people. The committee recommends an inquiry into the number of addicts all over the world, the withdrawal of opium licenses of persons discovered to be implicated in the illicit traffic, even outside their own countries, and a polite but firm inquiry to governments as to how they are carrying out these suggestions. Two regular meetings of the committee are provided for each year, preceded by a subcommittee meeting to make a study and report on drug seizures.

Definite results in combating this traffic are now beginning to appear.

The Turkish Government on Feb. 22 sealed up the three drug factories in Istanbul, which have been pouring tons of drugs into the illicit trade. Future regulation in Turkey will be so strict as to insure very great progress in drug limitation all over the world.

The Nansen International Refugee office is now well established. Dr. Max Huber, its president, recommended to the Council the adoption of statutes for the office, mentioning the fact that the office was expected to disappear within nine years, on the assumption that the refugee problem would be solved by that time. The Refugee Advisory Commission, meeting on Feb. 7, elected M. Navailles of France as president and appointed three members to serve on the governing body of the Nansen office.

In the report of the Mandates Commission received by the Council, Iraq, Togoland, and other parts of Africa, Western Samoa, and certain islands in the Pacific were fully dealt with. No decision seems yet to be in sight on Great Britain's proposal to unite Tanganyika and Uganda or on the problems arising out of plans for the relinquishment of the British mandate over Iraq.

The convention of 1928 relating to economic statistics has now come into force, and the Council has elected a committee of experts on this subject. The following countries are represented: Canada, United States, Great Britain, Italy, France, Norway, the Netherlands, Poland and Germany. The member from the United States is E. Dana Durand, chief economist of the United States Tariff Commission.

The Council had the very pleasant duty of terminating the final paragraph of Article 107 of the Treaty of Lausanne, which provided a commissioner to enforce the guarantees of free transit of travelers and goods between Greece and Turkey on three sections of the Oriental Railroad. It gave



M. Politis of Greece "the greatest satisfaction" to meet Kemal Husnii of Turkey, not as an opponent but as a friend, and to bear witness that in the last few months mistrust had given place to the most complete confidence.

The financial committee has had to report the resignation of Jeremiah Smith Jr., the United States member. Mr. Smith has had long and distinguished service with the League, not only as a member of this committee, but also as Commissioner-General of the League at Budapest for the financial reconstruction of Hungary. No successor to Mr. Smith was appointed, although two other places on the committee were filled by Dr. Kempner of Berlin and M. N. Rygg of Norway.

The perennial problem of Memel also came before the Council. More and more the pressure of public opinion is being put upon Lithuania to settle this question, and although her delegate refused to agree to asking for an advisory opinion from the World Court, and the whole matter had to be postponed until the next session of the Council, nevertheless it seems clear that gradually the way is being paved for a solution.

#### THE ECONOMIC COMMITTEE

The thirty-fourth session of the Economic Committee opened on Feb. 16 with a subcommittee studying the "most-favored-nation clause" and its relation to dumping, countervailing duties and other matters. The committee appointed Lucius Eastman of New York to represent it at the Congress of International Chambers of Commerce in Washington on May 4. A new group of economic experts distinct from the Economic Committee itself has been formed by the League, and this group of representatives of the national economic councils and research institutes of fifteen countries met at Geneva on March 2 to study the problem of recurring economic depressions. The United States, the only

non-European country present, was represented by E. E. Hunt, secretary of President Hoover's committee on recent economic changes and unemployment.

Both the Council and the Committee for Inquiry Into a European Union have seen the importance of agricultural credits for the countries of Eastern Europe. On Feb. 9 a delegation of the financial committee met in Geneva to study this matter. The committee studied the questionnaires from the previous preliminary meeting in Warsaw, thus bringing out the fact that these agricultural countries already have debts on their farm lands of about \$1,582,000,000 at rates of interest varying from 2 per cent to 20 per cent, but averaging perhaps about 10 per cent. It is evident that long-time credits at low interest rates are needed to put the countries of Eastern Europe in a position to raise grain as cheaply as Russia and the Americas.

#### DISARMAMENT

A very important and encouraging meeting of the committee of experts working on budgetary limitation of armaments was concluded at Geneva on Feb. 28 with unanimous agreement. It established a model statement by which the armament expenditures of all countries can be shown in a simple, comprehensive form. It recommends limitation of budgets of each nation based on the actual expenditures of the four preceding years of that same nation. Of course, there is complete publicity, but no comparison of the budget of one nation with that of another. This is the principal point that the United States has opposed. With this plan tentatively agreed to by all the important foreign nations, it is now perhaps possible to make further progress in the problem of "Supervision of the Private Manufacture and Publicity of Manufacture of Arms and Ammunition and of Implements of War." The Secretary General has been instructed by the Council to forward

all the new data to the president of this commission.

### LEAGUE CONVENTIONS

Three important signatures of League conventions have been received. On Jan. 20 Italy signed the Convention on Financial Assistance, providing for financial help to a nation attacked by an aggressor. All the important European countries have now signed this convention. And on Jan. 24 Poland signed the Optional Clause of the Permanent Court of International Justice Protocol, thus agreeing in advance to submit justiciable disputes to the Court. Poland excepted all domestic questions, all disputes with those with whom she does not have normal diplomatic relations (Lithuania) and all disputes arising out of the World War or the Polish-Soviet War or the treaty of peace of Riga. Lithuania has ratified the Opium Convention of 1925.

The Netherlands and Rumania have filed a treaty for the pacific settlement of all disputes. This makes twelve such treaties for the Netherlands and nine for Rumania.

### THE WORLD COURT

The Council of the League has asked the Court for two advisory opinions looking toward the curing, or at least the easing, of two sore spots. One has to do with the dispute between Poland and Lithuania, the other with the minority questions between Poland and Germany. The questions are as follows:

"Do international engagements in force oblige Lithuania in the present circumstances, and if so in what manner, to take the necessary measures to open for traffic or for certain categories of traffic, the Landworow-Kaisiadorys Railway?"

"Shall the children who were excluded from the German minority schools on the basis of the language tests provided for in the Council's

resolution of March 12, 1927, be now by reason of this circumstance refused access to these schools?"

Argentina is drawing closer to the League, according to M. Casares, the newly appointed Argentinian member of the League's Economic Committee, and renewal of active membership depends simply on the action of the Argentine Parliament meeting some time later this year. The first hint of Russia's membership in the League came at a private meeting of the Commission of Inquiry into European Union. The Premier of Norway declared that if a motion is introduced in the next Assembly tending toward an invitation to Russia to join the League, he will vote for it.

### INTERNATIONAL LABOR ORGANIZATION

Naturally the League of Nations is vitally concerned with the world-wide unemployment crisis. It is estimated that about 20,000,000 people are now out of work, and on Jan. 26 a special committee of the International Labor Organization met to see what could be done. On the opening day of this conference, M. Mertens, the Belgian workers' delegate, characterized the present unemployment crisis as "in reality the supreme crisis of the capitalist system." On the following day M. Jouhaux, the French workers' delegate, observed that if the capitalist system "could not adjust itself to the new situation it would not be transformed; it would disappear." Professor Ansiaux of Belgium declared that the unemployed in the Swiss watch industry rose from 98 to 2,225, owing to the United States tariff, and stated that "a large proportion of world unemployment is due to the disastrous and obstinate progress of trade restrictions." After several days of sometimes stormy discussions, a report was adopted by the Unemployment Committee which named the following as



among the present causes of abnormal unemployment:

- (a) Excessive production of certain agricultural products;
- (b) Maladjustment between the production of certain raw materials and the power of the current market to absorb them;
- (c) Inelasticity in the links between currency and credit and world prices;
- (d) Decrease in the price of silver, with consequent decrease in the purchasing power of countries whose currency is based on that metal;
- (e) Excessive production costs in certain countries as the result of conditions in which ordinary economic laws are inoperative;
- (f) Disturbance in international commerce caused by the development of new industrial areas and creation of artificial trade barriers;
- (g) Direct displacement of labor due to the rapid development of labor-saving machinery and the process of rationalization.

The report advised that the attention of governments should be particularly drawn to the desirability of establishing scientifically operated public employment exchanges, where these do not already exist, and to the "need" of developing existing systems of relief and insurance against total unemployment. The development of public work systems to counteract the abeyance of private construction was

also advised, and the suggestion made that public works of an international character could be appropriately undertaken with the assistance of the League of Nations.

This report was adopted by the Governing Body of the International Labor Office, meeting at Geneva from Jan. 28 to 31. It also considered various matters on the agenda of the 1931 session of the International Labor Conference, which will open at Geneva on May 28. Certain proposals to lessen the rigidity of the existing convention on the night work of women were accepted for inclusion on the agenda of the conference, and also the question of old age and widows and orphans' insurance for workers in all occupations. The Governing Body congratulated H. B. Butler, the deputy director of the International Labor Office, on his report of his recent visit to Canada and the United States, which concludes that "from whatever angle the future is regarded, the conclusion seems irresistible that its prosperity whether for Europe or America will largely be conditioned by the success with which international adjustments are effected, not only in the domains of finance, commerce and social standards, but also in the field of politics."

## THE UNITED STATES

THE Seventy-first Congress passed into history on

By D. E. WOLF

March 4. Convoked by President Hoover on April 15, 1929, this Congress weathered—in addition to the regular long and short, lame-duck sessions—two special sessions, one called for the purpose of farm relief and tariff revision, the other for the ratification of the London naval treaty. It weathered also a period of *Sturm und Drang* over vital questions of national policy concerning farm relief, the tariff, prohibition, unemployment, business depression, immigration, and public ver-

sus private operation of utilities—problems which have not and can-

not be solved as long as they involve conflicting social, economic and political principles. For underlying these issues were the forces which motivate the stormy progress of Congress from generation to generation—States rights as against centralization, *laissez-faire* individualism as opposed to socialism on the one hand and paternalism on the other, legislative versus executive authority and politics—the scramble of the "outs" to get in and the "ins" to stay where they are.

To this Congress goes the distinction of having spent more than any other Congress in time of peace. By appropriating, in all, \$10,249,819,215, it presented the Treasury with a gigantic financial problem, immeasurably complicated by a decrease in tax collections, due to the business depression. In solving the difficulties imposed by legislation which Secretary Mellon has consistently fought as financially unsound, the Treasury will have the added assistance of Arthur A. Ballantine, a legal authority, who was recently appointed Assistant Secretary of the Treasury.

The final lame-duck session which met in December, 1930, and adjourned in March, 1931, was occupied with three important questions, in addition to the annual appropriation bills—relief of drought victims and unemployed; further provision for war veterans suffering from the depression, and the disposition of the Muscle Shoals power and nitrate plants. It was a hard program to translate into law because in every case Congress and the President were at odds on the method of action. As a result the President vetoed two major bills and threatened to veto the third until the matter was “compromised” by the elimination of his objections to extravagant spending and the use of government funds for charity. (For a discussion of the “compromise” program of public works and drought relief see CURRENT HISTORY for February, page 749, and March, page 915.)

It is the two Presidential vetoes, one sustained, one overridden, that concern us here. Over the method of compensation for World War veterans, Mr. Hoover and Congress are fated to disagree. The issue is not whether veterans shall be compensated—that has long since been conceded and has, in fact, cost the government about \$5,000,000,000 in the last twelve years. (See Mr. Deming’s article on page 33.) With Mr. Hoover it was rather a question of the extent and method of

compensation. Last June, it will be remembered, the President vetoed the Rankin bill, first because it provided pensions for all disabled veterans regardless of their need and on the highly flimsy “presumption” that their disability could be traced to service; and secondly because it went “far beyond the financial necessities of the situation” at a time when a budget deficit and increased taxation were threatened. At that time Mr. Hoover’s veto was upheld and the substitute Johnson bill, free from these objections, received his signature on July 3.

It is clear that Presidential vetoes of bonus bills do not change much from year to year, since it was for almost identical reasons that Mr. Hoover returned the new veterans’ bonus loan bill without his signature on Feb. 26. This year his veto was not sustained.

The bill arose out of the belief of certain Congressmen and veterans’ organizations that some special provision should be made for veterans who are unemployed or in need as a result of the business depression. It was suggested to do this either by paying out in full or increasing the loan basis of the adjusted service certificates created by the bonus bill of 1924. These certificates are at present held by 3,397,000 veterans who in 1945 will receive their full value of \$3,426,000,000 and meanwhile might borrow up to 22½ per cent. For the purpose of full payment in 1945 the government has been amassing, year by year, a reserve fund which has now reached about \$750,000,000. The idea first advanced of paying these obligations immediately, in full, at a cost to the government of about \$3,400,000,000, was abandoned under critical fire from Secretary Mellon, General Hines, Owen D. Young and other financial experts. (See CURRENT HISTORY for March, page 916.)

The alternate plan raised the loan basis of the certificates from 22½ to 50 per cent at 4½ per cent interest.



This was adopted by the House on Feb. 16 by 363 votes to 39 and by the Senate two days later by 72 votes to 12. Thirty-four Republican Senators and 212 Republican Representatives voted for the bill, in addition to the solid Democratic blocs in both houses. Although it was reported that Mr. Hoover might accept this bill as the least of possible evils, this was not taken seriously. Congress knew, from several warnings, that Mr. Hoover and Secretary Mellon believed the plan to be financially unsound and even dangerous at this time. Yet Congress forged ahead determinedly, confident that veteran relief would provide the firmest ground for overriding a veto. This proved to be the case. Mr. Hoover returned the bill with a detailed veto message on Feb. 26. The House immediately repassed the bill by a vote of 328 to 79, and the Senate followed suit the next day by a vote of 76 to 17. Applications for loans at once began to pour in, and more than 1,000 checks were mailed out that day.

President Hoover based his opposition to the measure on five main counts. First, he considered the bill unnecessary, since he had found upon investigation that the number of veterans in need had been greatly exaggerated and that such sufferers as there are have been receiving adequate aid from local and voluntary organizations in addition to what the government has already done. Second, he believed that the bill would be of very little real benefit to needy veterans, since it provided for 800,000 men an average loan of no more than \$200, and 200,000 of these were restricted to \$75 apiece.

Third, he considered the bill a "breach of fundamental principle" because it provided equal benefits for many thousands who hold jobs, pay income tax and therefore had no right to government charity.

Fourth, he was advised by Mr. Mellon that there being "not a penny in the treasury to meet the probable cost of \$1,000,000,000" the government

would be forced either to raise taxes or to borrow money to finance the bill at an increased rate of interest, and business recovery would be retarded by the diversion of money borrowed from the people to charity rather than to productive enterprises.

Fifth, many not in real need would be tempted to borrow now, and this money would be deducted from the payment in full in 1945 or upon death, when the certificate becomes a life-insurance policy. In this way the families of veterans would be likely to suffer.

In conclusion, the President deplored the "whole tendency to open the Federal Treasury to a thousand purposes, many admirable in their intentions," which, however, "threaten burdens beyond the ability of our country normally to bear," and tend to undermine self-support and self-reliance.

In trampling the President's objections underfoot, Congress was widely accused of blind obstinacy and vote-seeking. There is no doubt that pressure and lobbying by veterans' organizations had their effect. But there is also to be found a reasonable and sincere belief in the advantages of the bill in such a defense as that outlined by Senator Vandenberg. The Senator from Michigan argued that, whereas the bill involved a potential cost of \$1,000,000,000, actually it would come to no more than \$430,000,000, for under the 22½ per cent loan privilege veterans borrowed only about \$299,000,000 of the \$730,000,000 available to them, for which the government is at any time liable.

If, under the new plan, the Senator continued, "the veteran exercises his option in the same degree that the veteran has exercised his option under the old plan and under dire economic pressure of the last twelve months, the new plan will involve a total of \$430,000,000." In other words, the bill would be no more expensive in actual operation than the plan already in effect would

have been if all veterans had taken advantage of their loan privileges. Senator Vandenberg suggested that the government use the \$403,000,000 appropriated for the general sinking fund this year to finance the plan. He pointed out that it differed in one respect only from the plan outlined by Owen D. Young which was favorably commented on in the press. Whereas Mr. Young suggested that the government decide on the merits of applications for loans, "we propose to let the veteran decide for himself what his need is, and to what extent he shall call upon his own money to meet his own need."

Obviously, estimates do not agree on the cost of the new bill, and it will be many months before exact results are known. But it will not be many months, according to a number of observers, before Congress again undertakes to increase the benefits to veterans. As Mr. Deming points out, this chapter of veteran legislation ends with a "To be continued."

The Muscle Shoals bill was approved in the House on Feb. 20 by 216 votes to 153. In the Senate the favorable vote was 55 to 28. Congress took this action despite the foregone conclusion that Mr. Hoover would veto the bill. The last Muscle Shoals bill to reach the White House received a pocket veto from President Coolidge in June, 1928. Senator Norris was the author of that bill as well as of the measure which brought forth a positive veto from President Hoover on March 3. Both measures provided for government operation of the Muscle Shoals power plants built by the government during the war, and both were vetoed primarily for that reason. In the interval of almost three years Muscle Shoals has gathered force and momentum as a political issue in the hands of Senator Norris and those who believe with him that the private power companies have been exploiting the public unscrupulously and that even government

regulation is futile since, as they believe, the President as well as the Power Commission are hand in glove with the "interests." Power utilities, they contend, should be operated solely in the public interest, not for private profit, and Muscle Shoals is an ideal entering wedge for the general adoption of the principle. Volumes have been written and spoken pro and con and will continue to descend upon a puzzled public from now until the election of 1932 and after. It is generally conceded that in the "power trust" Senator Norris, Governor Pinchot of Pennsylvania and their followers have found an effective, if somewhat vague, political catchword.

A large body of conservative opinion in the country is, as Mr. Hoover expressed himself to be in his veto message, "firmly opposed to the government entering into any business the major purpose of which is competition with our citizens." This group agrees with the President that "the establishment of a Federal-operated power business and fertilizer factory in the Tennessee Valley means Federal control from Washington, with all the vicissitudes of national politics, the tyrannies of remote bureaucracy imposed upon the people of that valley without voice by them in their own resources, the overriding of State and local government, the undermining of State and local responsibility."

Quite apart from these questions of principle, Mr. Hoover examined the Norris bill purely as an engineering proposition and found it wanting in three respects. In this analysis the President was on familiar ground. He estimated that if, as the bill provided, the government manufactured power, built transmission lines and sold it wholesale to States and municipalities, after spending about \$100,000,000 on modernizing the plants, the whole operation would mean an annual loss of about \$2,000,000. Nor did this allow for decreased



profits in the event of a price war with private producers.

For the manufacture of fertilizer the Norris bill held a number of curious and intricate provisions which Mr. Hoover's analysis found to be unsound. The President was directed within a year to lease the fertilizer plant to a private corporation. If no lessee was found, Muscle Shoals would become then entirely devoted to the manufacture of electric power. Since the bill stipulated the kind, quantity and price of the fertilizer to be made and imposed many burdensome restrictions on the lessee, Mr. Hoover felt sure that no one would be found to undertake the project. Indeed, the President had consulted leading fertilizer concerns who had found the conditions of the bill impossible. Furthermore, the Department of Agriculture had reported that the Muscle Shoals plants were now obsolete and would cost millions to renovate, and the War Department held that this country was already producing enough nitrates to supply us with ammunition in time of war. Thus the whole fertilizer scheme was judged by the President to be futile.

The third objection to the bill concerned the provisions relating to management. There were to be three directors eligible on the basis not of merit and experience but of their belief in the success of government operation and their political allegiance, since no more than two could belong to the same party. The President deemed it objectionable, too, that "Congress must from the nature of our institutions be the real board of directors and with all the disadvantages to a technical business that arise from a multitude of other duties, changing personnel, changing politics and regional interests." In short, Mr. Hoover believed that the "ineptness of the Federal Government" would soon wreck this kind of a business.

The veto message concluded with a suggestion that Muscle Shoals be

handed over to local authorities, the States of Alabama and Tennessee, to be leased by a commission of their own choosing to private interests.

On March 3 the Senate voted to override the President's veto by 49 to 34, but failed by seven votes to muster the necessary two-thirds majority. Sixteen Republicans and the lone Farmer-Labor Senator joined thirty-two Democrats in opposing the President, while thirty-one Republicans and three Democrats upheld him. Two Republicans and one Democrat reversed their previous votes and went over to the administration. These were Senators Steck, Couzens and Thomas of Idaho. Thus for another year at least this "war relic," as Mr. Hoover called it, will stand idle and continue to deteriorate in value. The steam power plant has already depreciated from \$12,000,000 to \$5,000,000 and the nitrate plants and quarries from \$68,550,000 to practically nil.

Of the rest of the Congressional program several important bills went through, while a number died in committee deadlocks, and a few worthy measures were the victims of a pointless filibuster in the Senate at the last moment. In the first category was the second of three bills designed to carry out Senator Wagner's unemployment program. The first, providing agencies for gathering accurate unemployment statistics, was already on the statute books. On Feb. 10 President Hoover signed the second, stipulating advance planning of public works. The third bill, creating a system of State labor exchanges, supervised and partly subsidized by the Federal Government, was passed by Congress over the objections of Secretary Doak. The evil of the bill, according to the Secretary of Labor, was that it abolished at once the Employment Bureau of the Department of Labor, with all its machinery, experience and funds, and substituted a local decentralized system which could not be gotten into smooth running order

for months, leaving a vacuum in the interim. Senator Wagner, however, maintained that employment is a local problem which could not be adapted to sectional needs from Washington. The President upheld Mr. Doak's view by vetoing the bill on March 7. A new ruling by Attorney General Mitchell enabled Mr. Hoover to sign or veto bills after Congress adjourns at any time during the ten-day period following the passage of the bill.

A \$20,000,000 bill for further hospitalization of veterans went through at the last moment, as did the second deficiency bill which carried a \$10,000,000 appropriation for modernizing battleships. However, this and the regular \$358,000,000 naval supply bill were the only appropriations for the navy. The administration's request for \$74,000,000 for naval construction in accordance with the terms of the London treaty was shelved in both houses, and big navy forces were powerless to push through the building program which they insisted the President and Secretary Adams wanted.

A much-needed reform was delayed and another of Senator Norris's hopes blasted when the "lame duck" resolution succumbed to a conference deadlock. It provided that the new Congress should meet on the Jan. 4 after its election and that the President be inaugurated about two weeks later. It specified also that both sessions of Congress be unlimited. Speaker Longworth's amendment limiting the second session to four months precipitated the conference deadlock. The resolution, if passed, would of course have to be ratified by three-fourths of the States.

Two measures which succumbed to the Senate filibuster were the Vestal copyright bill, embodying protection for American authors which the Authors' League and the American Society of Composers, Authors and Publishers have been advocating for years, and the Jones maternity bill,

continuing the annual appropriation of \$1,000,000 to aid the States in infancy and maternity work. This would have carried on the benefits of the Sheppard Towner act, which expired in 1929.

The Kendall-Hawley bill, amending the tariff act so as to tighten the exclusion of convict and slave-made products, was passed by the House on Feb. 21, but died in the Senate committee "for lack of time." The truth of the matter was that discussion of the measure was the signal for an avalanche of demands by domestic producers for the exclusion of their foreign competitors. American producers of tobacco, oil, coal and manganese clamored for embargoes, while importers of these products protested against any such action. On Feb. 24 Secretary Mellon refused the request of the American Manganese Producers for an embargo on Soviet manganese, which is imported in large quantities by American steel companies, and denied that Russia was dumping this product on the American market.

The treasury ruling of Feb. 10 shutting out lumber from four districts of the White Sea in Northern Russia holds, however. This embargo, placed on evidence of convict labor in those regions, puts the burden of proving the contrary up to the importer. It was not made clear just what evidence would be accepted by the treasury as proof. It was reported on Feb. 27 that the Soviet Government was sending a shipment of this lumber as a test case.

#### PROHIBITION

The ruling of Judge William Clark holding the Eighteenth Amendment invalid was consigned to the museum of legal curiosities by the decision of the United States Supreme Court on Feb. 24 reaffirming the constitutionality of the amendment. Judge Clark, it will be remembered, maintained in a decision on Dec. 16 that



the amendment should, to be constitutional, have been ratified by State conventions instead of by the State Legislatures, which he claimed did not necessarily represent the popular will on this particular issue. Associate Justice Owen Roberts handed down a reverse decision stating that

Congress had the sole power, by Article V of the Constitution, to specify the method of ratification. He denied that the Tenth Amendment, reserving to the States powers not delegated to the Federal Government by the Constitution, in any way modified Article V.

## MEXICO AND CENTRAL AMERICA

**A** PLAN for the gradual withdrawal of the United States Marine forces from Nicaragua was announced by Secretary of State Stimson on Feb. 13. This plan, which was accepted by President Moncada, resulted from conferences held in Washington between Mr. Stimson, Matthew E. Hanna, United States Minister to Nicaragua, and Marine Corps officials. The Nicaraguan National Guard is to be increased by approximately 500 men, who are to be used almost exclusively in the bandit area in the northwestern part of the country. As a result of this, Secretary Stimson estimated that by June the number of Marines in Nicaragua might be reduced to approximately 500 men. By this arrangement funds have been secured for the Nicaraguan officers' school. The men are being trained to replace Marines, who at present are officering the National Guard. Additional funds will be applied to the construction of long-needed roads and trails in the bandit area, which it is felt will greatly facilitate the future work of the National Guard.

The foregoing steps, in the opinion of Secretary Stimson, "have paved the way for the ultimate removal of all the Marine forces from Nicaragua immediately after the election of 1932." At present 1,506 Marines, including officers and enlisted men, are in Nicaragua, but at the height of American intervention in 1928, 5,821 Marines were in the country. The financial ar-

By CHARLES W. HACKETT

*Professor of Latin-American History,  
University of Texas;  
Current History Associate*

rangements were made on the basis of a surplus of several million dollars that have accumulated in the Bank of Nicaragua, a government-owned institution.

President Moncada, referring to the announcement of the proposed withdrawal of Marines, stated on Feb. 13: "This is eloquent proof that the influence of the American Government in this country has been for no other purpose than to aid it in solving its serious problems of peace and liberty; that he \* \* \* desires to give full credit to the good offices and the sincerity and justice with which the American Government has proceeded." Other prominent Nicaraguans, including Vice President Aguado, expressed fear that insurgent activities would develop anew in case the withdrawal of Marines were made too speedily. Former President Díaz expressed the opinion that "in no circumstances should the Marines be withdrawn." In Washington, Senator Borah, chairman of the Senate Foreign Relations Committee, and Senator Wheeler, long an opponent of United States intervention in Nicaragua, expressed satisfaction over the prospect of the ultimate withdrawal of Marines from Nicaragua.

### GUATEMALA'S NEW PRESIDENT

General Jorge Ubico was elected President of Guatemala in elections held on Feb. 6 to 8, that were authoritatively characterized as "a tremendous popular triumph despite the fact



MEXICO AND CENTRAL AMERICA

that there was no opposition." The election of General Ubico stabilized a political situation which had resulted during the past two months—following the incapacitation of the constitutional President—of the accession to power of three different men. General Ubico represents the progressive and coalition Liberal parties; he is 52 years old and studied in both the United States and Europe before beginning his military career.

#### MEXICAN AGRARIAN PROBLEM

Recommendations for the settlement of Mexico's agrarian problem and for the encouragement of tourist traffic were made to the Mexican Government by the Mexican National Economic Congress, which met late in January. The government was urged to take steps toward discontinuing the distribution of land to small holders; to study the effect on the national credit of obligations already incurred in carrying out an agrarian policy; to hasten the settlement of these obligations; to pay cash, instead of depreciated bonds, for any land which may be expropriated for agrarian purposes in the future; to return to former owners lands previously distributed that had been abandoned by the workers;

and to make tourist traffic a national industry through the facilitation of travel and the removal or modification of all present restrictions. Speakers at the Congress asserted that American tourists in Mexico in 1929 spent \$40,000,000.

A minute study will be made of the Mexican budget for the purpose of effecting additional economies, according to an announcement made by Finance Minister Montes de Oca on Jan. 29. Reductions in expenditures may be expected, he said, "on items on which some saving is possible, or in such that postponements or even definite calculations may be found practical. But such retrenchment will not be allowed to interfere with the due performance of public services."

A grave situation as the result of unemployment and hunger among 3,000 or more laborers at Mexicali, Lower California, was reported to the Mexican Federal Government on Feb. 21. As a possible means of alleviating the suffering among Mexicans the Governor of Lower California issued an order calling for the discharge of all Americans employed in Mexicali and the replacement of them by Mexicans. Following this several veteran American foremen of cotton planta-



tions near Mexicali were ordered to leave their posts.

Daniel Flores, who attempted to assassinate President Ortiz Rubio on the day of his inauguration in February, 1930, was sentenced to twenty years' imprisonment by a Mexican court on March 2.

#### MACHADO'S NEW POWERS

Dictatorial powers were virtually conferred upon President Machado on Feb. 5 when he signed a bill, previously passed by both houses of Congress, which granted him the right to suspend indefinitely individual constitutional guarantees in all or in any part of Cuba. A similar authorization, the second of its kind within six months, but valid for only sixty days, was due to expire on Feb. 11. President Machado exercised the right on Feb. 7 when he signed a decree which reads in part:

I have resolved to suspend over all national territory, and as long as conditions of unrest continue, all the guarantees specified in Articles XV, XVI, XVII, XIX, XXII, XXIII, XXIV and XXVIII of the Constitution. The Secretary of the Interior is hereby instructed to attend to all particulars regarding the enforcement of the measure.

A bill empowering President Machado to establish Havana as a Federal district on Feb. 24 and empowering him to name new municipal officers finally passed both houses of Congress on Feb. 19 when the Senate, by a vote of 15 to 1, accepted House amendments to an original Senate bill. President Machado immediately announced his intention to sign the bill, whereby he is empowered to appoint a district council consisting of one representative each from the Senate, the House, the Supreme Court, the Association of Reporters, the Havana Workers' Federation, the Liberal, Conservative and Popular parties, and the Democratic, Republican and Progressive parties that are now being organized. On Feb. 23 the government announced that President Machado had named Tirso Mora Mayor of the new

Federal district. At the same time the names of the president and ten members of the Executive Council of the Federal district were announced.

The President's campaign against opposition newspapers was somewhat modified early in February. On the 5th several prominent Havana newspaper men and members of the Union Club who had been imprisoned because of their criticism of the government were released from the city jail and at the same time the *Havana American*, which had been suspended three weeks earlier, was authorized to resume publication. The following day the government announced that John T. Wilford, the editor of the paper, an American citizen who left Cuba in mid-January in order to escape a decree of banishment, was free to return to Cuba and resume his editorial duties on condition that he would "respect the laws" governing the press.

On the charge that it contained articles that were openly seditious in character, all editions of *El Novato*, a publication of the Students' Directorate of the National University, were confiscated by government officials on Feb. 15, and Miguel León, the editor of the paper, was confined in the Havana jail.

After several days of bombing activities a bomb was discovered on Feb. 23 on top of the Presidential palace, near the living quarters of President Machado and his family. As a result twenty persons were arrested and a heavy guard was placed around the building. The same day several bombs exploded in various parts of Havana.

The suspension of government provincial institutes (the equivalent of high schools) throughout Cuba for the remainder of the session of 1930-1931 was ordered by the Department of Education on Feb. 6. This was attributed to the frequency of strikes and disorders in which students have recently participated. Alumni of the schools were charged with being chiefly responsible for the unrest among the students.

The conclusion of negotiations for securing the advisory assistance of three prominent experts in the government's plans to reorganize Cuba's fiscal and economic system was announced on Feb. 18 by Secretary of the Treasury Ruiz y Mesa. The plans call for new banking legislation, organization of a bank of the Republic of Cuba and the consolidation of Cuba's internal and foreign debts.

The segregation before Feb. 15 of 1,300,000 tons of Cuban sugar from the world market in accordance with the so-called Chadbourne plan for stabilizing the world price of sugar was provided for in a decree signed by President Machado on Feb. 7. President Machado on Feb. 22 appointed Dr. Luis Marino Pérez, commercial attaché at the Cuban Embassy in Washington, to accompany Thomas L. Chadbourne to Europe to assist in drafting permanent treaties designed to effect a reduction in the world's production of sugar.

A strike of employes of the Havana Electric Railways was averted at the eleventh hour on Feb. 6 when the offer of the chief of the National Police Force in Havana to mediate was accepted by the Street Railway Workers' Union. The strike was to have been in protest against a wage cut of 5 cents an hour, which became effective a few days earlier.

Dantes Bellegarde presented to President Hoover on Feb. 16 his credentials as the first Minister of the recently established constitutional government in Haiti. President Hoover expressed gratification at learning of "the successful initiation of the program recommended by the commission" which he sent to Haiti to investigate affairs there, and pledged his "sympathetic and active cooperation in the progressive consummation of the plan recommended by that commission."

## SOUTH AMERICA

"ALL that is sought is a national reorganization based upon liberty, justice and decentralization, with members of the junta and army renouncing all political motives and preparing to fight for their principles. Arequipa, leading Southern Peru, will not cease to hold Sánchez Cerro responsible for the horrors of civil war by his obstinacy in not freeing the country from his autocracy." So runs a cabled statement from the "civil government junta" at Arequipa, Peru, received on March 4, in which that group announced not only its opposition to the fallen Sánchez Cerro régime, but also its determination to resist any "Leguíaist" reaction. At the same time it was announced that the junta set up at Lima, the capital, after President Sánchez Cerro's en-

By HENRY GRATTAN DOYLE

*Professor of Romance Languages  
George Washington University;  
Current History Associate*

forced resignation on March 1, had sent emissaries to treat with the Arequipa junta.

The results of the negotiations between the two groups may be written large upon the pages of Peruvian history. Should the old rivalry between North and South—a relic of the regionalism which is a characteristic of the political psychology of most of the Spanish-speaking countries—prove too strong to permit of cooperation upon a national basis, a great opportunity will have been lost. The latest revolution apparently has proved that the country-wide rising against President Leguía last August was largely inspired by principles, not merely by personalities, and that Peruvians are tired of one-man rule. Their repudiation of President Sán-





SOUTH AMERICA

chez Cerro, who only six months ago was received in Lima with wild acclaim, seems to indicate that they want a civilian, constitutional government and that their previous support of the recently deposed President was based not only on personal attachment to him but—more fundamentally—upon faith in his program for cleaning up the administration of public affairs and restoring constitutional government. Pessimists will say, of course, that this is “just another revolution,” as indeed some commentators have already declared it. The writer, however, sees in the movement which overthrew Colonel Sánchez Cerro a further manifestation of the desire for constitutional, democratic, civilian, “national unity” governments that—in spite of backslidings and petty politics—has been in evidence in Bolivia and in Colombia.

President Sánchez Cerro's great mistake was in becoming a candidate to succeed himself. In an interesting statement to the United Press Associations on Feb. 12 he said: “The re-

construction work to which I have dedicated myself has resulted in a spontaneous and unanimous solicitation by the people that I occupy the office of Constitutional President. Conscious of my duty, I will act in accordance with the national desire.” At the same time the President declared that he would not resign as head of the military junta because of his candidacy, promising to give “ample liberty for an unprecedentedly free election.” This was followed, according to the news service report, by an expression of the President's opinion that “he would be the only candidate for the Presidency because of the line of conduct already followed.” It does not seem reasonable that a “spontaneous and unanimous” desire to keep him in office should be so dissipated in less than a month as to bring about his complete downfall. More likely is the point of view expressed by *El Perú*, a daily paper of Lima published by members of the young intellectual group, which declared late in January that Sánchez Cerro's plan to retain power by having himself elected Constitutional President “was not in conformity with his manifesto of Arequipa, in which he promised to return to the ranks of the army, which he left in order to put an end to the dictatorship of Leguía, as soon as he should have fulfilled his duty.” That the President realized his mistake is apparent from the fact that after the outbreak of the revolution, in a manifesto issued on Feb. 23, he withdrew his candidacy in a tardy effort to harmonize the situation.

A further mistake, in the opinion of the writer, was the predominantly military character of the Sánchez Cerro Government. Part of the objection of the Arequipa junta to that set up in Lima following Sánchez Cerro's deposition is due to the presence of military and army officers. The government would have had no difficulty in attracting to itself patriotic Peruvians of proved ability and experience, many of whom have lived

abroad during the Leguía régime, men like Dr. Felipe Barreda, now serving as his country's representative to Argentina, or Dr. Victor Belaúnde, now living in the United States. The fortunate outcome in Bolivia, where the military junta under General Carlos Blanco Galindo carefully observed its pledge to restore constitutional government, not seeking to maintain itself in power, rigidly excluding its own members from candidacy for political preferment and fostering a civilian government in which an attempt was made to unite all parties in a national unity program, is a case in point. That the Bolivian junta has not succeeded in allaying party politics, even in the critical times through which Bolivia is passing, is evidence of human frailty and shortsightedness, not of any logical weakness in the program itself. What is needed in Peru, as in several other South American countries at the present moment, is a mobilization of the best minds, the finest administrative talents, the highest integrity, that the country can offer. National crises were met in that way by the Allies during the Great War, and surely the problems that face some of the South American countries are no less grave. Bolivia and Colombia have shown the way with Presidents Salamanca and Olaya, both of whom have general non-partisan support. Their success in the difficult tasks they have assumed will be at once a demonstration of the correctness of this theory and a proof of the capacity for self-government that all friends of Latin America are sure the South American countries will sooner or later prove they possess.

The troubles of the Sánchez Cerro Government began with one of the student demonstrations that have played so large a part in recent revolutionary activity. On Jan. 19 striking students of the University of San Marcos in Lima seized the university buildings, locked themselves in, and held the buildings against the police. Their grievances were largely against

the rector of the university. They won a partial victory with the withdrawal of the police after a few days and a greater one when on Feb. 10 the rector resigned. Labor troubles in the Talara oil fields of Northern Peru added to the difficulties of the government.

The first outbreak came on Feb. 20 when an attempt was made by a force of civilians and military men to seize the Presidential palace in Lima. Failing to capture the palace, the rebels retreated to Callao, the port of Lima, seven miles away, where they were besieged in the fortress Real Felipe and forced to surrender, their leader, General Pedro Pablo Martínez, being brought to Lima under arrest. Sailors and marines from the fleet and the Chief of Police of Callao were among the prisoners. Political prisoners in the island prison of San Lorenzo, in Callao Harbor, had been freed by the revolutionists. Some loss of life occurred during the uprising, one victim being an American who was killed by a stray bullet. Reports indicated that two navy vessels, the cruisers Bolognesi and Grau, were involved in the revolt. On the following day it was reported that Southern Peru was in revolt, both civilian population and army having risen against the President. By an irony of fate, Arequipa, where Sánchez Cerro began his own coup last August, was the focus of activities against his government. While the government attributed both uprisings to "Leguíaistas," the Arequipa leaders made it clear that they intended to fulfill the principles of the August revolution and to call early elections.

The government ordered troops from Cuzco, Puno, Juliaca and Tacna to march against the rebels, and army reserves were called out. At the same time the President made his belated effort to compose the situation by announcing the withdrawal of his candidacy. This, he said, would "prove the sincerity of the convictions which inspired my leadership of the August revolution." On Feb. 24 the govern-



ment, admitting that the troops in the Department of Cuzco had joined the revolt, adopted conciliatory measures and announced that the Minister of War, Colonel Federico Hurtado, would fly to Arequipa to discuss an accord. This plan was later abandoned. The revolt broke out in the north at Piura two days later and a censorship was established. The next day an army division at Iquitos and the cruiser Bolognesi, sent to Mollendo to attack the rebels, joined the revolution. On March 1 the Sánchez Cerro Government collapsed following receipt of an ultimatum from naval officers demanding the resignation of the President. A meeting was held in the Presidential palace, presided over by the Bishop of Arequipa, at which the President resigned, and a junta was set up consisting of Dr. Ricardo Leóncio Elías, Chief Justice of the Supreme Court, as provisional President; Captain Alejandro Vincés, representing the navy, and Colonel Manuel Ruiz Bravo, Chief of the General Staff, representing the army. It was then divulged that the navy, in order to prevent civil war, had prevented the sailing of transports carrying troops dispatched to attack the Southern rebels. Negotiations were opened with the junta at Arequipa, which however refused to recognize the Lima junta as long as Colonel Ruiz Bravo, who had ordered troops sent against them, was a member. They likewise demanded certain recognition for their own group. On March 5, however, troops loyal to Colonel Sánchez Cerro and commanded by Lieut. Col. Gustavo Jimenez took over the Government House and ousted the junta headed by Dr. Elías. The new government was headed by Colonel Jimenez, who issued a manifesto declaring that a transitory junta would be organized to serve until the country could be returned to constitutional government, as promised by Sánchez Cerro last August.

Peru's financial condition continues to be serious. On Feb. 22 Peruvian exchange reached the lowest point in

history. Although interest payments due March 1 were met, it is unlikely that the treasury will be able to continue to provide for debt services. The former Minister of Finance indicated on Feb. 1 that a moratorium would be asked for. It will be recalled that a commission headed by Professor Edwin W. Kemmerer of Princeton has undertaken the reorganization of Peruvian finances.

#### NEW PRESIDENTS IN URUGUAY AND BOLIVIA

On March 1 Dr. Gabriel Terra was inaugurated as President of Uruguay for a four-year term, succeeding President Juan Campisteguy. With him were inaugurated the members of the National Administrative Council, which shares executive authority with the President. Dr. Terra has served his country as Minister of the Interior and of Industry and has been envoy to Italy and to Argentina. As a member of Congress and later of the National Administrative Council, he has fostered the development of rural schools and the construction of highways, harbors and airports. He has also sponsored social welfare and protective tariff legislation. He is said to favor a "mutual economic defense association" of Central and South American countries, with differential tariffs which would encourage industries. Despite alarming reports of revolutionary disturbances planned for inauguration day, which led to elaborate precautions by the government, no disorders occurred.

Bolivia, the first of the South American countries to experience the throes of revolution last year, is likewise the first to revert to constitutional government. On March 5, amid a great ovation, Dr. Daniel Salamanca, who was unopposed in the elections of January, was inaugurated as President and Dr. José Luis Tejada Sorzano, the Liberal candidate who defeated former President Juan Bautista Saavedra, was installed as Vice President.

The new President faces a grave financial situation. Bolivia defaulted on interest payments due Jan. 1 on the 1927 loan and was compelled to default again on March 1, when interest fell due on the 1928 loan. A financial mission is now in New York negotiating with bankers. The budget problem is also acute, in spite of economies. It is of interest to note that the budget first submitted by the junta included cuts in appropriations for education, which were restored after threats of a student strike.

On Feb. 12 ten men were arrested in La Paz on charges of having instigated bomb explosions in the city during the preceding week. It was announced that a Communist plot had been discovered in time to take measures to forestall it. Adherents of the Saavedra group intimated that the plot was a device of the junta to remain in power, but this does not seem to be borne out by subsequent events.

#### *DISORDERS IN PARAGUAY AND ARGENTINA*

On Feb. 20, the same day that witnessed the outbreak in Lima and Callao, rebels captured the Paraguayan frontier town of Villa Encarnación, on the Paraná River, the terminus of the Central Paraguay Railroad. On the same day a number of officers were arrested in Buenos Aires in connection with a reported plot for an uprising during the carnival period which precedes the beginning of Lent. Villa Encarnación was quickly retaken by government forces, which attributed the movement to Communists. The effort was followed by a general strike declared on Feb. 23. In the capital area a state of siege (martial law) was declared on Feb. 18, in consequence of a strike of construction workers which began in December.

Anarchists and bandits have caused some disorder in Argentina in recent weeks, following the execution of an anarchist on Jan. 31 on charges of having bombed the Italian Consulate in May, 1928. As a result of the efforts

of Argentine police to rid the country of undesirables, Uruguay has found it necessary to make plans to prevent their entrance into that country.

#### *IMMIGRATION AND ECONOMIC PROBLEMS*

The world-wide economic depression has led to interesting developments in a number of South American countries in immigration and in tariff matters. It has already been reported here that Brazil has suspended immigration for one year and that Argentina is discouraging immigration by a tax of \$30 on passports. Peru took similar steps on Jan. 29, requiring a deposit of \$100 by third-class immigrants with Peruvian Consuls abroad, in order to insure return of the immigrants to their homes if they fail to find employment. Argentina has also found it necessary to provide free transportation to their former homes for several thousand immigrants, mostly Slavs from Central Europe. Venezuela, on the other hand, is likely to adopt a policy of encouraging immigration; it is reported that the Venezuelan Congress, which meets on April 19, will consider revision of the present immigration law.

It is announced that the Pan-American Commercial Conference, to be held at Washington in October, will discuss the effects of trade barriers on international trade. Argentina on Feb. 26 increased tariffs on a long list of articles and Argentine business men are urging restrictions on the importation of Russian manufactured goods, which are being dumped on the Argentine market. Chile also raised her tariffs on some goods on Feb. 6, while Ecuador on Feb. 26 placed an embargo on the importation of footwear. Brazil, Uruguay and Paraguay are considering retaliatory action because of Argentine restrictions on yerba mate, or Paraguay tea, and beef cattle.

President Enrique Olaya Herrera of Colombia on March 4 signed the oil



bill which sets up an entirely new petroleum code. It is expected to begin an era of active development by foreign oil companies and a contract has already been signed by the Gulf Oil Company of Pennsylvania and approved by the President of Colombia which provides for immediate development in the Catatumbo region. The contract runs for fifty years and provides for a royalty of 10 per cent on the field or 6 per cent at the coast.

One of the spectacular and most colorful attempts to stimulate inter-

national trade has been the trip of the Prince of Wales and his brother, Prince George, to South America. The British are making a great effort to recover the South American markets which have fallen into American hands to a large extent since the World War. The ostensible purpose of the Prince of Wales was to attend a British trade exposition in Buenos Aires, but his trip carried him first to Peru, Bolivia and Chile. On March 5 the Prince and his party arrived at the Argentine capital.

## THE BRITISH EMPIRE

THE prevailing mood of disillusion in Great Britain has perhaps been typified by the recent comments of two Labor members of Parliament more significantly than by the diatribes of the Conservatives or the mournful editorials of the *London Times*. Mr. Strachey spoke of "the ghostly procession of unreal bills which was passing through that House" and Mr. W. J. Brown, the fiery defender of the civil servants, got himself read out of the trade union group on Feb. 12 for announcing in the Commons that the Cabinet had not the courage to govern "nor the grace to get out." The same Mr. Brown rose from his sickbed to fight Mr. Snowden (a task which few venture upon) in the matter of civil service salary cuts promised for March 1, and was suspended from the House on Feb. 26 for refusing to obey the Speaker. Two nights later he filled Albert Hall with 10,000 cheering supporters while he accused Snowden of truckling to capitalism: "I never looked to see the day when the Labor Samson would kiss the feet of the capitalist Philistines who tormented him."

To tell the truth, both Parliamentary business and party politics were in a state of indecision and flux. The

By J. BARTLET BREBNER

*Assistant Professor of History,  
Columbia University;  
Current History Associate*

Liberals so cut up Labor's trade disputes bill in committee that it had to be withdrawn, but withdrawn with the

veiled threat that Labor would defeat the Liberal quid pro quo, the electoral reform bill. Two agricultural bills designed to relieve unemployment were advanced, but the Lords prepared either to defeat or seriously to amend them. Sir Charles Trevelyan's school attendance bill was rejected in the Lords, and he quite naturally resigned from the Cabinet. The Salvation Army bill passed its second reading by accident, and Mr. Scrymgeour's annual prohibition bill was, as always, rejected. No opportunity was missed to embarrass Foreign Secretary Henderson about Russian labor conditions, but he refused to give any satisfaction to demands either for an embargo against Russian goods or for an independent investigation of the lumber camps.

Only one matter could compel general attention—the crucial financial situation of the nation in the light of a drain of \$5,000,000 a week to relieve unemployment. The number of unemployed decreased by about 44,000 in the last half of January, went up again about the same figure in the first half of February and was certain to be reduced again by the end of the



THE BRITISH EMPIRE

cotton lock-out on Feb. 13. Yet the unemployment fund was \$350,000,000 in debt and almost exhausted. The Commons heard Miss Margaret Bondfield and other Labor leaders describe the situation and on Feb. 16 voted an additional loan of \$100,000,000 and approved the extension of "transitional" benefit for six months. Various proposals were mooted to reduce the benefits and increase the contributions, but nothing came of them, and on Feb. 17 Mr. Snowden declared that the Cabinet had refrained from the second expedient because it thought neither employers nor employees in a position to make the increase.

The Chancellor of the Exchequer had just made a dramatic and impressive stand in opposing the Conservative vote of censure of Feb. 11. He not only defied the Conservative party, but he turned around in the House and threatened his own extremist back-benchers. He promised economy, but explained that cheese-paring would not help much, and warned the House and the nation that he must demand in his budget drastic sacrifices from those who were best able to make them. During the next few days he had to whittle down the effect of his speech, but he subdued his own party in caucus, and when the Cabinet accepted 10 and 20 per cent cuts in

their salaries, it was generally assumed that he had some sympathy for wage reductions elsewhere, although he seemed to deny it. No one was able to extort from him any forecast of the budget, but every one expected increases in the higher categories of the income tax and in the death duties.

The political parties themselves were uneasy and uncertain. Of three by-elections the Conservatives won two with enlarged majorities and Labor retained one because of a Conservative split. The Liberals fared badly, one candidate forfeiting his deposit. But inside the Conservative party dissatisfaction with Baldwin's leadership caused some defection and Lord Beaverbrook's Empire Crusaders added to the uncertainty. A group of private citizens supported a proposed five-year plan of economic reconstruction, Labor and the Liberals seemed to be drawing apart, and inside the Labor party Sir Oswald Mosley tried to organize one revolt while the Left Wing threatened another. Sir Oswald has issued five manifestoes since December and on Feb. 28 he resigned from the party. Three other members had preceded him and they hoped to form a new party of young men pledged to semi-dictatorial government, commonwealth economic partnership, national planning and control



of imports. This Hitler-like program was said to have the backing of Sir William Morris and his National Council of Industry and it won some ill-defined support among those disgusted with the inability of the present Parliament to get anything done.

Snowden's speech of Feb. 11 was seized upon by the cotton employers as a not very convincing excuse for ending on Feb. 16 the lockout which began on Jan. 17 and involved over 300,000 weavers. A number of mills had already surrendered and arrangements were under way for introduction of the new rationalization by negotiation with the operatives. Moreover, a great cotton trade exhibition opened in London on Feb. 16, and the irony was inescapable. The exhibition lasted a week and by winning \$50,000,000 worth of new business heartened Lancashire for the first time since the war. Yet the fear of wage cuts hung over England and was specifically threatened for the dyers and for some 70,000 pottery workers.

Lord Kylsant's Royal Mail Steam Packet combine was brought to the edge of ruin on Feb. 12. The structure, which from 1919 on he built so confidently and extravagantly to a book value of about \$400,000,000, failed its shareholders and creditors completely and was only held back from bankruptcy by a moratorium extended by the White Star Line and by pledging all assets. The loss is estimated at \$100,000,000, and Walter Runciman, who is directing the reconstruction, has been very gloomy about the future. Mr. Snowden refused to grant a Parliamentary inquiry. It was revealed that his own plans for lessening the nation's financial burdens by conversion had been checked by income tax difficulties. The banks and other institutions which hold the old securities bought them cheaply and a conversion would force them to show realized profits, which it was calculated would entail income taxes of \$55,000,000.

In view of this generally gloomy domestic scene it is easy to imagine the relief with which British negotiation of Franco-Italian naval accord (dealt with elsewhere in this issue) was received. It is singular that British Labor governments, which have never enjoyed any great domestic successes, have had an extraordinary record of success in widely approved international negotiations.

#### PEACE IN INDIA—THE IRWIN-GANDHI AGREEMENT

After a month of violent fluctuation in India, a truce between the Indian Government and the All-India Congress party was arranged at 1:30 A. M. on March 4. Affairs had begun badly after the arrival of the round-table delegates and their appeal for support of the London proposals, but the indefatigable Sir Tej Bahadur Sapru, assisted by M. R. Jayakar and Srinivasa Sastri, at once initiated efforts to bring Gandhi and the Viceroy together. On Feb. 6 the revered Congress leader, Pandit Motilal Nehru, died after a conversation with Gandhi in which his last words were that the Mahatma had already secured home rule for India. Then Gandhi was unquestionably greatly disturbed by the touchy temper of the Moslem minority leaders who felt that they had been hardly treated in London, by the communal violence in various parts of India, by an undercurrent of opinion favoring conciliation and by open expression of this in Bengal. The Congress party, too, found that some of its wealthy supporters were weary of strife. At any rate, after a week of conferences, during which neither side appeared to want to make the first move, Gandhi announced on Feb. 14 that he had written to Lord Irwin asking for an interview "as man to man." These interviews at New Delhi began on Feb. 17. They were long and involved many secondary interviews with Congress leaders and others. Pandit Jawaharlal Nehru is a less con-

ciliatory man than his father, and, in spite of the efforts of peacemakers, the Viceroy's offer was rejected on Feb. 28. Then Gandhi took matters into his own hands and secured the truce. He had said on Feb. 14 that his terms would be the right to make salt, the right to discourage the sale of foreign cloth and the right to block the sale of liquor and narcotics. Other demands crept in during the conversations, but the terms of the truce were those set forth in the following statement by the Governor General in Council, published at New Delhi on March 5:

1. Consequent on the conversations which have taken place between Lord Irwin and Mr. Gandhi it has been arranged that the civil disobedience movement should be discontinued and that, with the approval of his Majesty's Government, certain action should be taken by the government of India and the local governments.

2. As regards constitutional questions, the scope of future discussions is stated with the assent of his Majesty's Government to have as its object consideration of a future scheme for constitutional government in India, to be discussed at a round-table conference. Of the scheme outlined, federation is an essential part. So also are Indian responsibilities, and reservations or safeguards in the interests of India, for such matters as, for instance, defense, external affairs, the position of minorities, the financial credit of India and the discharge of obligations.

3. In pursuance of the statement made by the Prime Minister in his announcement of Jan. 19, 1931, steps will be taken for the participation by representatives of the All-India Congress party in further discussions to take place on the scheme for constitutional reform.

4. The settlement relates to activities directly connected with the civil disobedience movement.

5. Civil disobedience will be effectively discontinued and reciprocal action will be taken by the government. By effective discontinuance of the civil disobedience movement is meant the effective discontinuance of all activities in furtherance thereof by whatever methods pursued, and in particular the following:

(a) Organized defiance of the provisions of any law; (b) Movement for non-payment of land revenue and other legal dues; (c) Publication of news sheets in support of the civil disobedience movement; (d) Attempts to influence civil or

military servants or village officials against the government, or to persuade them to resign their posts.

6. As regards the boycott of foreign goods there are two issues involved: First, the character of the boycott; and, second, the methods employed in giving effect to it. The position of the government follows:

It approves of the encouragement of Indian industries as part of an economic and industrial movement designed to improve the material condition of India, and it has no desire to discourage methods of propaganda, persuasion or advertisement pursued with this object in view if they do not interfere with freedom of action of individuals or are not prejudicial to the maintenance of law and order.

But the boycott of non-Indian goods—except of cloth, which has been applied to all foreign cloths—has been directed during the civil disobedience movement chiefly, if not exclusively, against British goods, and in regard to these it has been employed admittedly to exert pressure for political ends.

It is accepted that a boycott of this character and organized for this purpose is not consistent with participation of representatives of the Congress party in a frank and friendly discussion of constitutional questions between representatives of British India, of the Indian States and of his Majesty's government and political parties in England, which a settlement is intended to secure.

It is therefore agreed that discontinuance of the civil disobedience movement connotes a definite discontinuance of employment of a boycott against British commodities as a political weapon, and that in consequence those who have given up during the time of political excitement the sale or purchase of British goods must be left free without any form of restraint to change their attitude if they so desire.

7. As regards methods employed in the furtherance of the replacement of non-Indian by Indian goods and against the consumption of intoxicating liquor and drugs, resort will not be had to methods coming within the category of picketing except within limits permitted by ordinary law.

Such picketing shall be unaggressive and it shall not involve coercion, intimidation, restraint, hostile demonstration, obstruction to the public, or any offense within ordinary law. If and when any of these methods are employed in any place, the practice of picketing in that place will be suspended.

8. Mr. Gandhi has drawn the attention of the government to specific allegations against the conduct of the police and has represented the desirability of a public



inquiry into them. In the present circumstances the government sees great difficulty in this course, and feels it must inevitably lead to charges and counter-charges which would mitigate against the re-establishment of peace. Having regard for these considerations, Mr. Gandhi has agreed not to press the matter.

9. The action which the government will take upon discontinuance of the civil disobedience movement is stated in the following paragraph:

10. Ordinances promulgated in connection with the civil disobedience movement will be withdrawn. Ordinance No. 1 of 1931 relating to the terrorist movement does not come within the scope of the provision.

11. Notifications declaring certain associations unlawful under the criminal law amendment to the act of 1908 will be withdrawn providing that notifications be made in connection with the civil disobedience movement. Notifications recently issued by the Burma Government under the criminal law amendment do not come within the scope of the provision.

12. (a) Pending prosecutions will be withdrawn if they have been filed in connection with the civil disobedience movement and if they relate to offenses which do not involve violence (other than technical violence) or incitement to violence.

(b) The same principle will apply to proceedings under the security provisions of the criminal procedure code. Where the local government has moved in any high court or has initiated proceedings under the legal practitioners' act in regard to the conduct of a legal practitioner in connection with the civil disobedience movement, it will make application to the court concerned for permission to withdraw such proceedings, provided that the alleged conduct of persons concerned does not relate to violence or incitement to violence. Prosecutions, if any, against soldiers and police, involving disobedience of orders, will not come within the scope of this provision.

13. (a) Those prisoners will be released who are undergoing imprisonment in connection with the civil disobedience movement for offenses which did not involve violence (other than technical violence) or incitement to violence.

(b) If any prisoner who comes within the scope of the above has also been sentenced to jail for an offense not involving violence (other than technical violence) or incitement to violence, the latter sentence also will be remitted; or, if a prosecution relating to an offense of this character is pending against such a prisoner, it will be withdrawn.

(c) Soldiers and police convicted of of-

fenses involving disobedience of orders—in the very few cases that have occurred—will not come within the scope of amnesty.

14. Fines which have not been realized will be remitted. Where an order for forfeiture of security has been made under the security provisions of the criminal procedure code and the security has not been realized, it will be similarly remitted. Fines which have been realized and securities which have been forfeited and realized under any law will not be returned.

15. Additional police imposed in connection with the civil disobedience movement at the expense of the inhabitants of a particular district will be withdrawn at the discretion of the local government. Local governments will not refund any money not in excess of actual cost that has been realized, but they will remit any sum that has not been realized.

16. (a) Movable property which is not an illegal possession and which has been seized in connection with the civil disobedience movement under ordinances or provisions of the criminal law will be returned if it is still in the possession of the government.

(b) Movable property forfeited or attached in connection with the realization of land revenue or other dues will be returned unless the collector of the district has reason to believe that the defaulter will contumaciously refuse to pay dues recoverable from him within a reasonable period. In deciding what is a reasonable period, special regard will be paid to cases in which defaulters, while willing to pay, genuinely require time for the purpose, and, if necessary, collection of revenue will be suspended in accordance with the ordinary principles of land revenue administration.

(c) Compensation will not be given for deterioration.

(d) Where movable property has been sold or otherwise finally disposed of by the government, compensation will not be given and sales proceeds will not be returned except in so far as they are in excess of legal dues for which the property may have been sold.

(e) It will be open to any person to seek any legal remedy he may have on the ground that attachment or seizure of his property was not in accordance with the law.

17. (a) Immovable property of which possession has been taken under Ordinance IX of 1930 will be returned in accordance with the provisions of the ordinance.

(b) Land and other immovable property in possession of the government which has been forfeited or attached in connection with the realization of land revenue or other dues will be returned unless the

collector of the district has reason to believe that the defaulter will contumaciously refuse to pay dues recoverable from him within a reasonable period. In deciding what is a reasonable period, special regard will be paid to cases in which the defaulter, while willing to pay, genuinely requires time for the purpose. And if necessary the collection of revenues will be suspended in accordance with the ordinary principles of land revenue administration.

(c) Where immovable property has been sold to third parties, the transaction must be regarded as final so far as the government is concerned.

(d) It will be open to any person to seek any legal remedy he may have on the ground that the seizure or attachment of his property was not in accordance with the law.

[Mr. Gandhi has represented to the government that, according to his information and belief, at least some of these sales have been unlawful and unjust. The government, on the information before it, cannot accept this contention.]

18. The government believes that there have been very few cases in which realization of dues has not been made in accordance with the provisions of the law. In order to meet such cases local governments will issue instructions to district officers to have prompt inquiry made into any specific complaints of this nature, and to give redress without delay if illegality is established.

19. Where posts rendered vacant by resignations have been permanently filled, the government will not be able to reinstate the late incumbents. Other cases of resignation will be considered on their merits by local governments, who will pursue a liberal policy in regard to re-appointment of government servants and village officials who apply for reinstatement.

20. The government is unable to condone breaches of existing law relating to administration of the salt tax, nor is it able in the present financial condition of the country to make substantial modifications in the salt act. For the sake, however, of giving relief to certain of the poorer classes it is prepared to extend administrative provisions on lines already prevailing in certain places to permit local residents, in villages immediately adjoining areas where salt can be collected or made, to collect and make salt for domestic consumption or sale within such villages, but not for sale to or trading with individuals living outside them.

21. In the event the Congress party fails to give full effect to the obligations of this settlement, the government will take such actions as may in consequence be-

come necessary for the protection of the public and for due observance of law and order.

The month was also marked by the remarkable success of an Indian conversion loan in London. Its \$85,000,000 (5½ per cent at 97) was subscribed in two hours. In India the New Delhi was inaugurated with much interesting pageantry of an appealing and impressive sort, not least of which were the prophetic (as it were) unveiling of four dominion columns, presented by Canada, Australia, New Zealand and South Africa; the completion of the All-India War Memorial Arch and the presentation of a pageant of Indian history, which enjoyed the happy coincidence of a rainbow. Sir Edwin Lutyens has created a great monument to his own architectural distinction, and hopes were expressed that its inauguration signalized a new day for India.

#### CANADIAN AFFAIRS

Prime Minister Bennett of Canada was very widely criticized during the early part of February for his refusal to take the press and the people into his confidence. He was described as being "as silent as a Tammany magistrate before a grand jury." As the month wore on, however, he revealed his policies by action. For instance, the Foreign Relations Committee of the United States Senate unanimously rejected on Feb. 18 the proposed treaty ratified two years ago by Canada for the diversion of 20,000 additional cubic feet of water per second at Niagara Falls. Next day Mr. Bennett used the incident as an example of the international difficulties over the waterways and referred to the matter of the St. Lawrence waterway. The Washington correspondent of *The New York Times* had revealed on Feb. 5 what Canadians had not been told, namely, that one result of Mr. Bennett's visit to Washington was that steps were to be taken toward the construction of the canal and its accompanying electrical projects. Mr.



Bennett remained non-committal, but the appointment of a special international commission for the negotiation of a treaty was confidently expected.

A committee of the Cabinet held public meetings in the third week of February at Ottawa on proposed tariff increases, aimed almost exclusively, of course, against the United States. The first result was seen on Feb. 19, when, by setting the price of imported automobiles for customs purposes at 20 per cent below list, the tariff on American cars was, in effect, raised about 15 per cent. Mr. Bennett was not moved by importers' protests that American manufacturers without Canadian subsidiaries were practically excluded. Indeed, it was generally held that the move would mean \$75,000,000 worth of new employment for Canadians either in the existing American plants or in others which would be built. Officials of General Motors of Canada predicted that the larger Canadian production would mean lower prices. On Feb. 23 a new duty on carrots was announced which seemed likely almost to exclude those from the United States.

Canadian wheat remained about 20 cents below Chicago prices, but the price rose to about 60 cents, and the export between Aug. 1 and Jan. 31 was greater by 60,000,000 bushels than in the preceding year. Canadian wheats are widely used for mixing purposes because of their high gluten and protein content, and this seems to explain the steady European and Oriental demand. Herbert M. Marler, Canadian Minister to Japan, however, pointed out on Feb. 3 that the decline of Australian exchange permitted the sale of Australian soft grades at as much as \$4 a short ton less than Canadian. An interesting phenomenon which was encouraging to Canada was the formal opening in New York on March 3 of a market in bonded Canadian wheat. This additional outlet to some degree offset the uneasiness caused by the Federal Farm Board's announcement that it planned to sell

abroad (not "dump") its huge accumulations of wheat.

While Canadian external trade fell by about \$600,000,000 in 1930, the rise in wheat and copper prices and an increase in exports during January seemed to indicate that the tide had turned. A delegation of 150 business men sailed in the Canadian National steamship *Prince Robert* on Feb. 21 for the British Empire Exhibition at Buenos Aires determined to increase the growing Canadian trade with South America.

It was announced on Feb. 24 that a practical test of the Hudson Bay grain route would be made during September, 1931, and that full facilities would be ready for the opening of navigation in 1932.

#### THE AUSTRALIAN CRISIS

There have been wild days in Australia over the financial debacle and the refusal of Mr. Lang and of New South Wales to agree to conservative policies of retrenchment. (See article on pages 80-84 of this magazine.) In a by-election at Parkes, New South Wales, the Nationalist party reduced a former Labor majority of 8,700 to a minority of 7,500, and all the State Premiers formally dissociated themselves from Mr. Lang's repudiatory and inflationary proposals. The Commonwealth Bank has naturally been resolute in its refusal to cooperate in schemes tending toward increase of the present financial difficulties.

The Premiers' conference was a vigorous affair. Mr. Scullin, the Federal Prime Minister, and Mr. Theodore, the Treasurer, tried to steer a middle course between the bankers' desires and the revolutionary tactics of Mr. Lang, but without success. Mr. Theodore vaguely outlined what he called a scheme of "moderate inflation" and Mr. Scullin tried to get London to consider a change in the funding arrangements for the Australian war debt along the lines of the Anglo-American war-debt agreement. Inasmuch as the

war debt is only \$410,000,000 out of a total of \$2,090,000,000, this did not promise much relief and London failed to respond. The conference went on record as favoring balanced budgets within three years, but they got almost nowhere with the bank, and there was no holding Mr. Lang and New South Wales, so that the whole situation remained threatening and confused at the end of the month.

The Labor party caucus on March 2 re-elected the members of the Federal Cabinet except Frank Anstey, Minister of Health; J. J. Daly, Vice President of the Executive Council, and John A. Beasley, Under-Secretary of State, all members of the Left Wing. Mr. Scullin will as a result head a Cabinet thoroughly in accord with his ideas, composed of moderate Laborites. The caucus also approved the plan of the treasurer calling for a new loan of \$90,000,000.

#### *EARTHQUAKE DISASTER IN NEW ZEALAND*

The earthquakes along the east coast of North Island, New Zealand, continued to be felt until Feb. 9. Napier and Hastings were so completely destroyed that it was proposed to abandon them. The terrain and even the harbors were altered almost beyond recognition. Fire hindered the work of rescuers and fissures blocked the roads. The Anglican cathedral at Napier collapsed and buried the congregation at a communion service. Mr. Forbes, the Prime Minister, announced a special session of the New

Zealand Parliament because the disaster would add an unknown amount to the already serious financial burden. The government proposed to meet the present emergencies (the deficit for 1931 is calculated at \$2,250,000) by the reduction of all State salaries by 10 per cent and of general wages in proportion to the decline in the cost of living, by increased taxation, by reduction of the educational budget and by adjustments of the treasury arrangements of more prosperous times. The unemployment subsidy is the heaviest burden, but the proposed budget represents a resolute, if drastic, attempt to keep New Zealand solvent.

Economic difficulties were also reported in the Irish Free State and in South Africa. In the former investors were loath to capitalize native enterprises and in the latter agricultural distress has forced the government to raise an internal loan of \$25,000,000 to assume farmers' debts up to an individual maximum of \$5,000. Jamaica, too, was facing a deficit and proposing restriction of immigration. On Feb. 23 Lord Strickland, Prime Minister of Malta, arrived in England with six members of the recent government. The Constitution was suspended in 1930 because of ecclesiastical interference in elections, and immediately after Lord Strickland's arrival it was announced that a royal commission would investigate. He himself attacked the policy of the British Government in a speech in the Lords on March 3.

## FRANCE AND BELGIUM

**T**HE month of February in the French Parliament was devoted to the discussion of the

budget, which was delayed by two Ministerial crises. This was somewhat serious inasmuch as the fiscal year begins in April.

By OTHON G. GUERLAC

*Professor of French,  
Cornell University;  
Current History Associate*

It is always difficult to vote the budget rapidly because, in spite of repeated warnings and protests, Deputies

persist in tacking on to the discussion of the various chapters motions and amendments which take time and generally provide for increases of





FRANCE AND BELGIUM

expenses without corresponding resources. At one sitting, for instance, during the discussion of war pensions, a Deputy asked for 200,000,000 francs for the former prisoners of war. In vain the Minister of the Budget stated that the cost would be enormous and the balance of the budget endangered. Five hundred votes to 78 supported the motion.

Premier Laval had to warn the Deputies that in this period of economic uncertainty and financial unrest it was essential that the budget be balanced and also that it be voted on time. In consequence the Chamber submitted to the necessity of sitting twice, sometimes three times, a day. One session, on Feb. 13, ended only at 8 o'clock the next morning.

The general financial situation has appeared none too brilliant. During one of the night sessions M. Pietri, Budget Minister, startled the House by declaring that the budget for the current year showed a deficit of at least \$80,000,000 and that the new budget, although theoretically showing a surplus of \$2,000,000, was in danger of showing a deficit also. The railroads had a deficit of about \$8,000,000, which the government has to meet by economies and increases in

fares. As for the tax receipts, while for the first ten months of the current fiscal year they showed a surplus over budget estimates, they have been, nevertheless, \$100,000,000 below those of the previous year. Foreign trade has, likewise, continued to decline. The figures for January, 1931, compared with January, 1930, showed a falling off of more than 1,000,000,000 francs on exports and of almost the same sum for imports.

The question of unemployment and the uncertainty of unemployment statistics were broached on Feb. 24 in the House by various Socialist Deputies. It was stated that 32,000 persons were receiving financial aid, and the Minister of Labor acknowledged that the actual number of men out of work was about 250,000. In spite of the Finance Commission's recommendation that the sum of \$1,000,000 was ample for the needs of the jobless, a Socialist motion raising the figure to \$4,000,000 was carried by a vote of 289 to 269.

#### FRANCO-GERMAN RELATIONS

The question of Franco-German relations which has been one of the main subjects of controversy in the press and in Parliament came up in the Chamber of Deputies on Feb. 13 on the occasion of an international loan to Germany to which the government had given its sanction. French participation in the loan had roused the feelings of the Nationalist press and immediately several interpellations were addressed to the government. It was on the interpellation of M. Dumat, Deputy of Paris, that the discussion was supposed to turn. To M. Dumat and other Deputies who feared that this loan might be the starting point of a new policy, the Minister of Finance, Pierre Flandin, explained its harmless nature. It was, he said, simply a banking operation by which two French banks had agreed to share in the discounting of German railway bonds which an international consortium, at the head of which is

the firm of Lee, Higginson, had undertaken. The operation called for no appeal to the public, no placing of securities on the market. While the Minister minimized the political importance of this act, the Radicals, represented by M. Herriot, approved warmly the principles of cooperation and generosity that inspired it. The Socialists Blum and Grumbach commented once more on the attitude of the majority in the Chamber, obliged to support by their votes a policy which their party press had assailed as dangerous and unpatriotic. The whole debate was adjourned, however, by a vote of 555 to 11; no political significance could be ascribed to a vote of such proportions.

Considering French skepticism about German disarmament it is not to be wondered that the new French war budget should exceed that of last year by 3,000,000 francs. The reporter of the war appropriations, M. Bouilloux-Lafont, justified this increase in his report by figures showing that France has decreased her expenses for the maintenance of her army by 16 per cent over pre-war times, while the United States shows an increase of 86 per cent and Japan 48 per cent over pre-war figures. As for Germany, her budget reaches the figure of \$120,000,000. France's total outlay for "security" will amount to \$480,000,000, according to André Maginot, Minister of War. The naval appropriations of \$123,000,000 were voted in the record time of three hours, almost without opposition.

#### THE OUSTRIC AFFAIR

The Parliamentary Commission which has been investigating the relations of Members and ex-Members of Parliament with the Oustric Bank (see previous issues of CURRENT HISTORY) reached its conclusions on Feb. 13 and 14. M. Oustric had refused to testify. By 16 votes to 11 the commission decided to recommend to the Chamber the transmission of the whole case to

the Senate, sitting as a High Court of Justice. The minority wanted to refer the matter to the Minister of Justice, leaving it to him to decide which jurisdiction was competent in the matter. Another group was in favor of sending the defendants before the Court of Assizes. On further ballots the commission recommended by 10 votes, 4 abstaining, that Senator Raoul Peret, former Minister of Justice in the Tardieu Cabinet, accused of having authorized in 1926 the quotation of Snia Viscosa, should be tried by the High Court. By 7 votes, 7 abstaining, the commission made the same recommendation in regard to Senator René Besnard, former Ambassador to Rome, and Albert Favre and Gaston Vidal, ex-Under-Secretaries and ex-Deputies, for having put their influence at the disposal of the financier Oustric in exchange for handsome retainers.

The report of the commission, to be drafted by M. Buyat, will have to come before the House, which may or may not accept its conclusions. The Senate, likewise, may refuse to sit as a High Court and may declare itself incompetent. At best the affair is sure to drag into the Spring and perhaps Summer. The newspaper *Le Temps*, feeling that both the High Court and the Court of Assizes are, even if competent, the most cumbersome, slow and uncertain instruments of justice in a case like this, advocated a moral condemnation in the form of a motion by a unanimous Parliament, which would be, it thought, sufficiently effective.

The commission, having finished with the Snia Viscosa affair, continued its investigations into other financial ventures of the Oustric Bank. It also uncovered some cases of public officials who agreed to work for Oustric.

#### EVENTS IN BELGIUM

On Feb. 13 Lieut. Gen. Bernheim, a Belgian war hero, died in Paris. With Generals Leman and Jacques he was



looked upon as one of the most distinguished of the leaders in the late war. On Feb. 21 he was given a State funeral in Brussels, attended by the King, the representatives of the government and the diplomatic corps. As his body had been cremated, Catholic officials, including the Nuncio and the chaplains, did not attend the ceremony. The attitude of the Catholic Church in this case caused a stormy session in the Chamber where, on Feb. 26, on the motion of Emile Vandervelde, a bill legalizing cremation was adopted by a vote of 86 to 70, in spite of the opposition of the Cabinet.

A provisional report of the inquest instituted to discover the cause of the poisonous fog which was responsible for the death of sixty persons in the Meuse valley in early December, 1930, concluded that the fogs contained sul-

phurous anhydride. It was stated, according to *La Nation Belge*, that while the toxic fumes are perennial in the industrial district it is only rarely that extreme fog conditions such as occurred at that time make them dangerous.

The Belgian financial situation has been far from brilliant. The budget of 1930 showed a deficit of 700,000,000 francs, while the budget of 1931 will have a deficit exceeding 1,000,000,000 francs. In view of this situation the Catholic Ministers urged a reduction of 50 per cent on military appropriations intended for fortifications in order to find the 150,000,000 francs necessary for unemployment doles and to carry out some urgent public works. The majority of the Cabinet did not feel that the sum of 300,000,000 francs for fortifications could be reduced.

## THE TEUTONIC COUNTRIES

THE month of February is likely to have proved a decisive one in the history of Hitlerism and to have marked the beginning of the decline of that extraordinary phenomenon in German political life.

Soon after the reconvening of the Reichstag on Feb. 3, after the long Christmas recess, Chancellor Bruening addressed the Deputies in a vigorous speech. He told them that it was vitally necessary for them to pass the budget which he laid before them without delay and without change in order to restore foreign confidence in the essential democracy of Germany. He spoke extemporaneously, pausing frequently to answer a running fire of comment and criticism which was hurled at him by the Hitlerites and by the Communists from the extreme Right and Left wings of the House.

Terming reparations "a dark shadow which hangs over the nation," Dr. Bruening continued: "We are con-

By SIDNEY B. FAY

*Professor of History, Harvard University and Radcliffe College, Current History Associate*

vinced the world is beginning to realize that reparations not only exercise a depressing influence on Germany but on the whole of world economy. Although we rejoice at this awakening recognition, we regret that the outside world has still not begun to realize that those political and economic measures which Germany has to take and which are found so painful to foreign countries are necessary if we are to meet our reparation obligations at all." A partial settlement of the reparations problem, bound up with conditions which Germany could not accept, he said, would not be considered by his government. He reiterated his belief that German economy must be built up again slowly and systematically in preparation for the day when the final settlement of reparations could be undertaken. This means that when the Young Plan comes up for revision, as must inevitably be the case, Dr. Bruening does



GERMANY AND AUSTRIA

not intend that it shall be replaced by another make-shift substitute, as the Dawes Plan was replaced by the Young Plan. He believes that the reparations questions must receive a final settlement satisfactory to Germany and within economic possibilities.

In the debate which followed, Joseph Goebbels, one of the most extreme Hitlerites, demanded the resignation of the Cabinet, the dissolution of the Reichstag and a new election in which he said his party would win 180 seats instead of their present 107. The National Socialists, he declared, "want to seize power legally, but it is our business what we shall do with it after we get it. We oppose the reparations payments, and when we come into power we will drive out of office all those who profited by the revolution of 1918."

Two days later, however, on Feb. 7, when Communist and National Socialist motions of no-confidence in the Bruening Cabinet were put to the vote, they were decisively defeated by a vote of 293 to 221. The Cabinet emerged stronger than ever.

Then the extremist parties turned to obstructionist tactics. On Feb. 9 a National Socialist expressed doubt that a quorum was present. The President of the Reichstag, Herr Loebe,

called for a count, while the "Nazis," Communists and Dr. Alfred Hugenberg's Nationalists scrambled to get out of the chamber into the lobby. The ruse succeeded. A quorum could not be mustered and the proceedings had to be adjourned to 4 o'clock. But when the same trick was tried at 4 o'clock the middle parties were able to show two more than a quorum. Then President Loebe suggested that each speaker be limited to forty-five minutes. A Communist hastened to the rostrum and made a motion for a two-hour limit. This was refused in a written ballot. Then a Nationalist demanded an hour and a half limit, and the balloting had to be gone through once more. When the steering committee finally fixed the length of each speech at one hour and the speaking finally began toward 6 o'clock, the Communists redoubled their shouts, moans and howls. The President rang repeatedly for quiet and began ordering individual Communists to leave the room. At the end of each speech a National Socialist would assert that a quorum was not present, and each time progress was delayed by the necessity of taking a count.

Finally, toward midnight, the Cabinet moved its measures for restricting obstruction; they were voted unanimously by its supporters—303 to 0—the extremist parties refusing to vote by way of protest against what they called the tyranny of the majority. These measures provide that:

All motions involving expenditures must be accompanied by a motion providing resources to cover the expenditure;

Interpellations must be kept short and to the point, and may not include gratuitous expressions of opinion on the personal character of opponents;

No-confidence motions can only be admitted in the form, "The Reichstag withdraws its confidence from so-and-so." (Recently the National Socialists had tried to bring in a positive confidence motion. Had this been allowed



to come to a vote, it would have been most painful for the Socialists, who are accepting Chancellor Bruening on sufferance and would hate to have to express confidence in him directly); and, finally,

Penalties for causing disturbances to be made more severe.

Next day, as a consequence of the failure of obstruction and of the passage of these measures to restrict it in the future, the National Socialists and the Hugenberg Nationalists walked ostentatiously out of the hall in solid formation, by way of protest against "the violation of the rights of the minority." They declared that they would not come back—and for weeks they did not come back—until they should be given an opportunity to defend the rights of the minority against the encroachments of the majority. Their newspapers tried to boycott the Reichstag by refusing to print the debates of the "Rump Parliament."

At the moment of this writing it was not absolutely clear what the effect of this spectacular move would be. It did remove for the moment a group of troublesome obstructionists and allowed the Cabinet to proceed with its measures for the economic rehabilitation of Germany and the defense of its foreign policy. The National Socialists themselves expected to gain strength, and their members began to talk of a new constitutional assembly which would deliver power into their hands. But to the middle parties and to men of moderate sense the Hitlerites and Hugenberg Nationalists seem to have given an exhibition of ridiculous sulking. The editor of the Social Democratic *Vorwärts* railed at them for behaving like naughty children because they could not get their own way. Mgr. Ludwig Kaas, a prominent Centrist leader and supporter of Chancellor Bruening, congratulated the Reichstag on the withdrawal of trouble-makers who had constantly obstructed its business.

Deputies who are absent lose their

salaries, which amount to \$180 monthly, as long as they stay away, but the Constitution does not provide a way of canceling the mandates of those who fail to attend and represent their constituents.

Meanwhile the Hitler and Hugenberg Deputies returned like martyrs to their homes and proceeded to hold huge mass meetings. Hitler's main party organ, the *Völkische Beobachter* of Munich, declared on Feb. 11: "It is clear that the retirement of our Deputies is no temporary matter but the beginning of a new chapter in the history of our campaign for German freedom. A gigantic wave of mass meetings will now sweep over the land."

These events directed great interest to the municipal and communal elections in the little State of Brunswick on March 1. They were regarded as a test vote of Hitlerite strength. The National Socialists succeeded in piling up 17,000 more votes than they secured in their record-breaking victory at the Reichstag elections on Sept. 14, 1930. The combined bourgeois parties fell 24,000 behind their 1930 poll. At first sight this looks like a great Hitler triumph. But it may be pointed out that it is not nearly such a great increase as took place in many local elections after the Reichstag election; that is, the curve of Hitlerite popularity which was rising rapidly during last Fall now seems actually to be declining. Moreover, it would be surprising if the Hitlerites had not secured an increased vote over last September, since Brunswick has become with Thuringia one of the greatest Fascist strongholds.

The question of whether the general business depression has passed its lowest point is no more clear in Germany than in the United States. But there seem to be some signs of slight revival. Prices have risen on the Berlin stock market, though only very moderately. Germany has sent a trade delegation of experts to Russia for the purpose of looking into the

actual progress of the Five-Year Plan. Increasing confidence abroad in Germany's solution of her economic and political difficulties was indicated by a rise of ten points in the German 5½ per cent Young Plan bonds, which were quoted on the New York stock market around 79 early in March.

### *ECONOMIC SITUATION IN AUSTRIA*

Though rioting has occurred between the anti-Semitic Nationalists and the Socialists in the University of Vienna, and though violent scenes with flying inkpots and waving fists have occurred in the Austrian Parliament, the conciliatory speech of Dr. Otto Bauer at a trade union meeting seemed to indicate a move toward a patriotic compromise between Left socialism and Right clericalism in Austria. He told his Socialist comrades that the economic crisis was too serious for extremism. He defended the agreement just reached between Vienna and the other Austrian provinces regarding the apportionment of the Federal taxes. By surrendering her claims to part of the beer, gasoline and some other taxes, Vienna sacrificed about \$5,000,000 a year. In return she obtained the surrender by the other provinces of their plan to subject Vienna's social welfare program to future State veto. This enables the Austrian capital to go forward with its plan of municipal

housing of the poor. Only a few months ago was completed the most remarkable example of this—an enormous block of apartments with a frontage five-eighths of a mile long containing 1,400 flats, two kindergartens, two large central laundries, a library, a dental clinic, a home for mothers and other communal conveniences, and housing more than 5,000 persons. It is part of Vienna's plan, conceived six years ago, to house some 300,000 of its citizens in such modern and inexpensive flats by 1932.

During the first week in March the German Foreign Minister, Dr. Curtius, went to Vienna, where he conferred unofficially on the questions of Austro-German relations. His visit was the cause of much discussion in the Austrian press of Austro-German union, which, economically at least, was viewed almost unanimously as inevitable.

Mr. Rochaix of the Swiss Parliament has proposed that his country shall reduce military expenditures as a gesture appropriate for the country in which the disarmament conference is proposed to be held in February, 1932. He recommends that the landwehr be not called to the colors and that no big manoeuvres be held in 1932. He suggests that part of the economy thus realized be used in helping Geneva prepare for the conference and that the remainder go to a fund for old-age pensions.

## ITALY, SPAIN AND PORTUGAL

THE opposition from all parties, which greeted the decree of Feb. 8 announcing elections for the Spanish Parliament in March (see *CURRENT HISTORY* for March, 1931), resulted in the resignation of Premier Berenguer on Feb. 14. Not only had the Socialists refused to take part in the elections, but Count Romanones,

By ELOISE ELLERY

*Professor of History,  
Vassar College;  
Current History Associate*

Liberal leader, and Francisco Cambo, head of the Catalan Monarchists, had announced their intention to with-

draw from any Parliament convoked and to demand the election of a constituent Cortes. General Berenguer therefore resigned on the ground that in the circumstances any Parliament would be useless. At the same time he





THE MEDITERRANEAN COUNTRIES

announced the suspension of the March elections. The result of this resignation was another political crisis in Spain, which for a while seemed to spell the end of the Spanish Monarchy. (See article on pages 24-27 of this magazine.)

During two days of intense excitement the King held personal conferences with one leader after the other, consulted over the telephone with Santiago Alba in Paris and attempted what appeared to be the almost hopeless task of forming a new Ministry. Every possible combination met with difficulties. The Constitutional party announced that it would not participate in any government which did not include all political factions; a Cabinet composed only of Liberals and Conservatives would have had to contend with bitter opposition from Socialists and Republicans, while to form a dictatorship would only have postponed the crisis. One group led by Sanchez Guerra demanded that a convention be called with power to decide whether Spain should become a republic or remain a monarchy. This group also demanded that, while the decision was being reached, the King "take a vacation from the throne," thus leaving to the convention the supreme authority. Another group, including Count de Romanones and San-

tiago Alba, asked for a convention which would be empowered to limit the King's power only, not to form a republic. The question was, "Would the King, with his position thus in jeopardy, give in or would he fight for his throne?" Exactly what successive steps the King actually took or why he took them is not altogether clear.

On Feb. 16 he called Sanchez Guerra, a Liberal and a former exile, to form a Cabinet. Having apparently guaranteed to accept this Cabinet when presented, the King next day rejected it on the ground that "the throne was not his to give up." It was understood that if Guerra's Cabinet had been accepted the King's prerogatives would have been temporarily suspended while a constituent Cortes was chosen. The King, however, did not choose to lose his crown. One rumor that Guerra had gone from his first interview with the King directly to the jail and had actually offered to men arrested for rebellion positions in the Ministry, was said to have influenced the King to change his mind.

In place of Guerra, King Alfonso chose as Premier Admiral Juan Aznar, a Monarchist. With a Monarchist coalition government King Alfonso was at least for the time being a victor, and apparently in a stronger position than before the crisis. The new Cabinet in-

cluded General Berenguer as Minister of War, the Count de Romanones as Minister of State and Marqués de Alhucemas as Minister of Justice.

The government program issued on Feb. 19 included plans for provincial and municipal elections to be held as soon as possible, followed by a constituent Cortes, which was to modify the Constitution but not abolish the monarchy. The new Cortes was also to consider the stabilization of the peseta and possible autonomy for Catalonia. This last proposition brought a request for similar autonomy from the Basque provinces.

Though a measure of calm was restored after the crisis, opposition still continued in various quarters. The Republicans, supported by the Socialists, denounced the new government, though the threatened general strike was not called. The students, against whom the universities were closed, declared that they could get on quite well with the aid of the various professors by forming extra-official universities of their own.

By the first week in March, however, censorship on the foreign news had been raised, and many of the larger universities reopened.

Meanwhile the government continued its efforts to stabilize the peseta, in connection with which the presence in Spain of Pierre Quesnay, Director General of the Bank for International Settlements, was regarded as significant.

---

#### *AFFAIRS IN ITALY*

Pope Pius XI on Feb. 12 celebrated the ninth anniversary of his enthronement by a vast radio broadcast. The speech, made in Latin and translated into various languages, included special messages to the hierarchy, to Catholics, to unbelievers, to the sick, the poor, to laborers and employers.

A few days later, in an address to Lenten preachers, he took occasion to censure the Italian Government for encouraging the "profanation of the

Sabbath by taking young men out of the churches into athletic or recreational activities" and for permitting immoral newspapers, movie and vaudeville shows. The government, in these respects, he declared was not living up to the Lateran treaty. Moreover, he deplored the way in which the government allowed Protestants to continue, unmolested, their propaganda in Italy, and particularly in Rome. This attack appears to have been directed especially against American Methodists.

Officials of the government, denying the allegations, declared that the movies were closely censored, that the press was not immoral, and the Sabbath was as well observed as could be expected from people in general. As for the alleged Protestant propaganda, the State had kept both "the spirit and letter of the Lateran treaties, but while protecting the interests of the Church of Rome, it also must assure religious freedom to other sects."

An act to set up military zones on the French and Yugoslav frontiers of Italy was introduced in the Chamber of Deputies on Feb. 17. In the affected zones all improvements that would change the soil or subsoil materially, and also all city planning projects must have government sanction. A proposed increase of \$5,905,282 in military expenditure for this year was also announced.

Senator Tommaso Tittoni died in Rome on Feb. 7. He had been Foreign Minister in four Italian Cabinets and later President of the Senate and President of the Italian Academy.

---

#### *BREAD RIOTS IN PORTUGAL*

Portuguese troops were sent to Madeira early in February to quell riots due to the announcement of an increase in the price of bread.

The Portuguese military dictatorship under General Carmona, as President, has maintained order and by quietly making changes one by one in the Cabinet has avoided Cabinet crises.



# EASTERN EUROPE AND THE BALKANS

**C**OUPLED with the renunciation by Greece, on Feb. 5, of her trade convention with Bulgaria,

a series of frontier incidents in January and February brought Greco-Bulgarian relations to a tense point and prompted Great Britain, France and Italy to join in expressing, both at Sofia and at Athens, an ardent desire to see a full reconciliation between the two countries. The three powers, indeed, went further, and suggested a settlement of all differences by arbitration. The Athens Government, which at earlier times had expressed willingness to arbitrate, accepted the proposal unhesitatingly. But the Sofia Government, troubled particularly by the Macedonian problem, delayed and was believed not unlikely in the end to refuse.

It was a matter of common remark, however, that border conflicts which a few years ago might easily have caused war passed off with nothing more serious than newspaper recriminations. That matters did not advance even so far as in the case of the Petrich frontier affair of 1926—when armed combat seems to have been prevented only by firm intervention of the League of Nations—is a tribute to the moderation of the men who now bear responsibility in the two countries.

As remarked by a correspondent of *The New York Times*, to whatever Bulgaria does in the realm of foreign affairs, the presence within her borders of a large, unreconciled and influential body of Macedonians seems always to put a question mark. Urged on by the great powers and by Yugoslav protests, the Liapcheff Government has within the last six months filled the jails with Macedonian extremists and for the first time brought

By **FREDERIC A. OGG**  
*Professor of Political Science,  
University of Wisconsin;  
Current History Associate*

Macedonian assassins to trial for political murders; on Feb. 18 a reconciliation was announced between the

two Macedonian groups which have waged relentless war on each other in recent years in the very streets of Sofia. This, however, was made possible only by the action of the Michailoff faction in swooping down on the homes of two main leaders of the rival Protogeroff faction and spiriting away not only the leaders themselves but their families and bodyguards. The rumored reconciliation may, therefore, be rather seriously discounted. The only hope for a real termination of the feud appears to lie in the fact that since the death of General Protogeroff three years ago the faction which he led has been steadily dwindling.

---

## MINORITIES IN CZECHO-SLOVAKIA

The decennial censuses taken in recent months in Rumania, Hungary and other States of Central and South-eastern Europe have had both domestic and international repercussions because of the racial rivalries and irredentist intrigues upon which the results have more or less bearing. Particularly is this true of the census of Dec. 2 in Czechoslovakia. The matter of racial classification has been especially important in that country because the right of any minority to employ its own language in official communications or before officials is dependent on the minority amounting to at least 20 per cent of the population in any given administrative area. If a minority in a certain area is found to constitute only 19.9 per cent, it loses all right to use its mother tongue in official intercourse, and even for



Eastern Europe and the Balkans

street names and shop-window announcements.

Complaints concerning the Czechoslovak enumeration of last December have been reiterated by Hungarian and German minorities ever since the results were announced. It was alleged that administrative districts were reconstructed so as to reduce minorities below the requisite 20 per cent; that every person with a Slav name was pressed to declare himself of Czech nationality; that Jews who had been brought up as Germans were denied German classification, and even that Czech regiments were transferred to certain doubtful areas in order to lessen the relative weight of the minority figures.

These and other allegations have been, however, categorically denied by spokesmen of the government and of course by the government-controlled press. These sources have explained that special care was taken to deal

justly with all population elements, particularly (1) by employing a heavy majority of Hungarian and German enumerators in many districts, (2) by asking the inhabitants in all cases to state, not their nationality, but their mother tongue, and (3) by arranging that, in any district or municipality in which the minorities requested it, the regular census officials should be accompanied and watched by secondary census officials designated as minority representatives.

By a decision of the Court of Elections, from which no appeal can be taken, Dr. Karl Pergler, representative of the so-called National League in the Czechoslovak Parliament, was, on Feb. 24, declared an American, and therefore deprived of his seat in Parliament. Dr. Pegler was born in Prague, emigrated to America before the World War, practiced law at Cedar Rapids, Iowa, was naturalized, and, returning to Europe during the war, was appointed secretary to Dr. Masaryk and eventually became Czechoslovak Minister to the United States and to Japan.

#### DISPUTE BETWEEN BETHLEN AND BENES

Central European politics were enlivened in the last two weeks of February by spirited exchanges between Premier Bethlen and Foreign Minister Benes of Czechoslovakia—contemporary statesmen between whom, for a long time past, no love has been lost. In various speeches and interviews, culminating in an interview which appeared in the Paris *Midi*, Dr. Benes declared the Hungarian farmers oppressed by a feudal system and Hungary herself in serious need of a change in her form of government. Taking up the cudgels in the upper house at Budapest, Premier Bethlen expressed regret that a neighboring government official should by his statements have given occasion for disturbance of Hungarian public opinion at a time when a peaceful atmosphere was especially to be desired,



and protested against any and all foreign interference in his country's domestic affairs.

Replying, on his part, on Feb. 14, Dr. Benes denied that his earlier published statements, including the *Midi* interview, constituted any interference in Hungary's internal affairs, challenged M. Bethlen's version of his own answer to the protest of the Hungarian Minister at Prague, and echoed his antagonist's regret that, at a time when possibilities of economic cooperation ought to engross attention, the popular mind should be agitated by the indiscretions and recriminations of persons in responsible positions. It was noted, however, that the Czechoslovak Minister's closing sentence struck a conciliatory note, which was sounded again in a statement on the same day by Dr. Frantisek Matusek, Minister of Trade, that at the end of February Budapest would be asked when negotiations for a new preferential treaty could be resumed.

Count Theodore Batthyany, one of Hungary's best known statesmen, died at Budapest on Feb. 2, at the age of 76. Disciple of Kossuth, and life-long worker for the separation of Hungary from Austria, Count Batthyany entered the Republican Cabinet of Count Michael Karolyi as Minister of the Interior, but resigned when he saw the Extreme Left was gaining the upper hand. Recently he wrote articles opposing the suggestion that Hungary's foreign policy be shaped with a view to securing support from Berlin.

#### COMMUNISM IN RUMANIA

Wide interest was stirred by a speech delivered by M. Dimitriu on Feb. 20 before the newly elected Moldavian Soviet Congress in the republic's capital at Tiraspol. In the speech he made it plain that Moscow had in no wise given up its claim to Bessarabia and fully expects the latter some day to be regained. He declared that the past thirteen years of Rumanian

occupation had transformed Bessarabia from a rich and prosperous region into a land of misery and horror; also that the Bucharest Government will not hear of a plebiscite in the disputed territory for the reason that the inhabitants—as shown by the latest elections—strongly desire a union with Soviet Moldavia. Admitting that in the days of the Soviets' 100 per cent collectivization and socialization drive, traders and rich peasants frequently fled across the Dneister to Rumanian soil, M. Dimitriu declared that today the situation is reversed and that Bessarabian peasants and craftsmen are "streaming into the Soviet Union." In a letter to *The New York Times*, under date of Feb. 21, Charles A. Davilla, Rumanian Minister to the United States, denied the truth of the last statement, and also called attention to the fact that in the last Rumanian election the Communists were unable to amass more than 1 per cent of the total popular vote.

A congress of the Liberal party, held at Bucharest on Feb. 22, ratified the election of Jon Duca as party leader in succession to the late Vintila Bratianu. The new leader declared that the party—strongly opposed to King Carol when it was under the domination of Bratianu—is now solidly supporting him. He also made the significant announcement that the party is today prepared to treat foreign capital intended for development of industry on precisely the same footing as capital raised at home.

#### POLISH AFFAIRS

On Feb. 13 Foreign Minister Zaleski told the Foreign Affairs Committee of the Senate that negotiations had been proceeding for some time for a non-aggression pact with Russia and denied that Poland was taking part in any so-called anti-Soviet front.

A Franco-Polish company has been formed to complete and operate the

railroad being built to connect Polish Upper Silesia with the new and fast-growing port of Gdynia, on the Baltic. Construction of the line was started some two years ago, but was brought practically to cessation by the effects of the world economic crisis. The French group is expected to put 1,000,000,000 francs into the undertaking.

Yugoslav dislike of Fascist Italy came to light in a new form on Feb. 26, when the Roman Catholic Archbishop of Zagreb, Dodov Bauer, issued a pastoral letter calling upon all Catholics to attend services on St. Joseph's Day, March 19, when prayers were to be offered for Catholic Yugoslavs "who are persecuted in various parts of the world." The letter went on to make particular mention of the alleged persecution of Croat and Slovene Catholics by Italy, asserting that the use of their mother tongue is made

impossible both in the churches and in the schools.

On Feb. 20 King Zog of Albania, while in Vienna to consult physicians, narrowly escaped assassination at the hands of two of his countrymen. Bullets struck the automobile in which he was seated, and an adjutant who was in the act of entering the car was killed. The assassins were apprehended immediately and proved to be Nadk Gjeloshi, leader of a revolt against the King in 1925, and Aziz Cami, a Mohammedan army captain and adherent of the head of the Albanian Democratic party, Fan Noli. Both were in exile from their country and under sentence of death. The Italian section of the Vienna press insinuated that the outrage was inspired by Yugoslavia, but no evidence of the truth of the accusation has been brought to light.

## NATIONS OF NORTHERN EUROPE

THE Electoral College of the Finnish Republic on Feb. 16 chose Pehr Evind Svinhufvud as

President to succeed Lauri Relander, whose term of office expired on March 1. Svinhufvud was selected by 151 votes to 149. His success was due to a combination of Coalitionists, Agrarians and Swede-Finns. Mr. Stahlberg, his opponent, who was backed by the Progressives and the Socialists, lost the Presidency through the defection of a number of Agrarian electors.

The newly elected President was born in 1861. After the completion of his legal studies at the University of Helsinki in 1886 he was appointed acting district judge in 1888 and served in various governmental posts for nearly thirty years. In 1903 he emerged as one of the outstanding champions of Finnish rights and constitutional prerogatives, and during the decade following gained an en-

By JOHN H. WUORINEN

*Department of History,  
Columbia University;  
Current History Associate*

viable reputation as a fearless defender of his country against encroachments by the Russians. Shortly after

the outbreak of the World War he was arrested and exiled to Siberia for more than two years. Freed by the Provisional Russian Government after the March revolution in 1917, he returned to his native land and played a most important rôle in the events during the early part of 1918 which translated the Finnish declaration of independence into an actual accomplishment. After his withdrawal from national politics at the end of 1918, Mr. Svinhufvud lived in retirement until some nine months ago, when the Kallio Ministry collapsed. A firm defender of law and order, he formed in July, 1930, a Cabinet of conservative leanings and proceeded to deal with the problem of eliminating Communists from the political life of the republic. The Coalitionists in particu-



lar sponsored his candidacy for the Presidency. His victory in the Electoral College must therefore be interpreted as a consequence of the strength of the nationwide anti-Communist movement.

The prohibition situation received marked attention during February. The committee appointed by the government last May to investigate the prosecution of persons apprehended for smuggling spirits completed its work on Jan. 25. Its recommendations did not contemplate any marked change in the existing system. However, a more ambitious project for an analysis of the prohibition question was made public on Jan. 27, when the government appointed a committee of eight to investigate the whole problem. This Finnish "Wickersham commission" may present proposals for changes in the existing law, and is empowered to consider means other than total prohibition as aids in the furtherance of temperance.

#### *ECONOMIC CONDITIONS IN NORWAY*

In the report on the Norwegian budget, presented on Feb. 6 by the Finance Committee of the Storting, the Conservative majority proposed reductions. Several minority reports were also presented. Those of the conservative Right and the liberal Left urged cuts to ease the burden of taxation; the Agrarians recommended similar revision. The workers' representatives proposed greater appropriations for the relief of unemployment and suggested, in addition to other things, that savings be effected by the abolition of the military manoeuvres scheduled for the present year.

The general economic policy of the government furnished the occasion, on Feb. 12, for a proposal presented by the leader of the workers' group, Mr. Madsen, to vote a lack of confidence in the Cabinet. The spokesman of the Right, Mr. Hambro, maintained that



NATIONS OF NORTHERN EUROPE

his colleagues had been sorely disappointed by the inability of the Ministry to reduce taxes, but argued that no reduction in the defenses of the country be undertaken until tangible international results be reached at Geneva. The leader of the Agrarians, Mr. Hundseid, stressed the economic difficulties of the farmers. He recommended protective tariffs on timber imports which would ease the position of the inhabitants in the forest regions. The finance program was finally accepted on Feb. 13 by a vote of 99 to 44.

About two years ago Norwegian public opinion was considerably disturbed by the proposal to change the name of Trondhjem to Nidaros. The proposal culminated in a legislative enactment which provided that Trondhjem would be officially known as Nidaros, and the change went into effect on Jan. 1, 1930. The opposition precipitated by this action has continued, and on Feb. 27 of this year the matter was taken up by the Odlething. It voted to restore the old name Trondhjem, but action by the

Lagting is still necessary before the problem is finally solved.

---

Representatives of Norway, Sweden, Finland, Denmark and Iceland convened in Oslo on Jan. 26 to discuss ways and means for effective cooperation in certain fields of legislation. Outstanding among them was the enactment of uniform bankruptcy laws which would duplicate in this field achievements already recorded by the participating States in some branches of maritime and commercial law. Sweden revised her bankruptcy legislation in 1921 and Norway in 1930. Denmark and Finland have for some time been engaged upon the same task. The conference was expected to accept Norwegian and Swedish precedents as guides for its work.

---

#### *THE DEPRESSION IN SWEDEN*

The world-wide economic depression, which is now being seriously felt in Sweden, has been reflected during the budget debates and in certain important legislative measures. A good illustration of this was afforded on Feb. 4, when the Riksdag unanimously voted a sum of 70,000,000 kroner (1 krona is worth 26.8 cents) for the electrification of the Malmoe-Norrkoeping-Gothenburg and subordinate lines. The completion of this undertaking will mean the complete electrification of all railway lines south of Stockholm. The unanimity of the Riksdag in making provision for the important work was largely due to the desire to relieve the present unemployment situation, although the economies of electrically driven trains were also an argument.

Within less than two weeks of the opening of the Baltic conference in Oslo the Swedish Minister for Foreign Affairs and the Ministers of the other four countries, signed in Stockholm an international agreement concerning marriage and related legislation. Another effort to effect closer cooperation among the nations of the North

was a meeting held in Helsinki on Feb. 12 to provide common policies and action among the important lumber interests of Sweden and Finland.

---

#### *FINANCE MEASURES IN DENMARK*

The Danish Minister of Finance introduced on Feb. 21 an important measure in the Finance Committee of the Folketing. The proposal made provision for an increase of Denmark's Hypothek Bank reserve fund from 20,000,000 to 30,000,000 kroner. The proposal, if accepted, will entitle the Hypothek Bank to raise loans totaling about 100,000,000 kroner. Hitherto the bank has negotiated seven foreign loans approximating 140,000,000 kroner, among them the 6 per cent \$5,000,000 loan of 1925. The action of the Minister of Finance was interpreted to mean that a big loan would be raised abroad at the earliest opportune moment.

Four days before these steps were taken the Minister for Social Affairs, Mr. Steincke, was fined 300 kroner—the equivalent of \$80.19—by a Copenhagen court, which found him guilty of slander. The aggrieved party was a journalist whom the Minister had addressed in the lobby of Parliament.

---

#### *ESTONIAN CABINET CRISIS*

The resignation of the Estonian Minister of Agriculture, Mr. Kerem, during January precipitated a crisis for the Strandman Ministry. On Jan. 23, when the vacancy was discussed in the Legislature, the representatives of the Socialists and of the People's party subjected the government to severe criticism. The impossibility of filling the vacancy by a man acceptable to all parties led, on Jan. 26, to the placing of the Minister for Foreign Affairs, Mr. Lattik, in temporary charge of the Ministry of Agriculture. The deadlock had already resulted in a postponement of a consideration of the new budget. Three days later Mr. Strandman was reported to have



threatened resignation unless his choice for the vacancy was accepted. The tension over the situation was finally relieved on Feb. 3, when the government resigned, thereby admitting its inability to come to terms with the Agrarians and the Small

Farmers party. On Feb. 11 the efforts of Konstantin Päts resulted in a government accepted by Parliament on the following day. It was a Coalition Government, including no representative of the Workers' party, while the Socialists held two portfolios.

## THE SOVIET UNION

**T**HE international relations of the Soviet Union are still confused by the divers reactions of various countries to her export policy. On the one hand there is a growing realization of the necessity of including Russia in any international organization to promote peace and stability in world affairs; and, in the case of certain individual States, an appreciation of the importance to their own future security of friendly relations with Russia. On the other hand, many of the principal States of the Western world are attempting to set up a foreign policy which either ignores the Soviet Union or views her as a natural enemy.

The movement toward an embargo on Russian commerce has gained headway during the past month. In its broadest terms this movement takes the form of an attempt to bring the capitalistic nations of the world into an alliance with the purpose of establishing a general boycott upon Soviet products. The immediate stimulus to such a policy is the financial loss to certain business interests in Europe and America caused by the importation of Russian goods; but at its basis lies the conviction that the institution of capitalism cannot survive in competition with those of a communistic society. Implicit in this doctrine is the belief that the Soviet Government will succeed in its program to industrialize the country and to increase the efficiency of agriculture. The overwhelming competing power

By EDGAR S. FURNISS

*Dean of the Graduate School,  
Yale University;  
Current History Associate*

of this vast nation when equipped with all the appliances of modern industrial and agrarian technique and organized under the discipline and centralized control of Communist practice must, it is thought, produce a thoroughgoing revolution in the social structure of other countries. The proposed boycott has the ultimate purpose of isolating the Soviet Union and thus neutralizing her influence in the future affairs of the Western world, in the meantime hindering the progress of her industrialization program which is dependent upon supplies from abroad.

There are many spokesmen for this policy in the United States, but their proposals run counter to our national reluctance to enter into alliances with other countries. It is in France that the movement for a comprehensive attack upon Russian commerce has gained greatest support. The French Government has indicated that its attitude toward such an economic alliance would be favorable. Public officials in France have taken the lead in urging the policy upon their own government and in promoting the movement in other European countries. There is also a well organized and aggressive body of private interests working toward the same end. Thus far it has proved impossible to create an anti-Soviet bloc of States on this basis, but France has taken steps to protect her own market from Russian competition through a licensing system which brings the principal Soviet products under rigid control. On Feb.

26 André Tardieu, Minister of Agriculture, informed the Senate that the government was prepared for even more drastic action when occasion arose.

While the failure of the international grain conference was demonstrating the futility of the attempt to organize the economic affairs of the world without the cooperation of the Soviet Union, Canada and the United States were acting independently to restrict Soviet commerce. Our government decided that Russian lumber and wood products are produced by convict labor in certain districts and therefore are subject to exclusion. The effect of this decision has not yet been tested, but the Soviet officials assume that it spells the total extinction of their lumber trade with this country, and attribute the action of our government to the influence of Canada. The fact that the importer must prove that each specific shipment is not produced by convict labor the Soviet Government feels will be interpreted adversely to its interests. Editorial comment in the Soviet press viewed the embargo on lumber as another move in the world-wide campaign against Soviet trade and threatened retaliatory measures to American trade. In another case, that of manganese ore, the Treasury Department has ruled that this product is entitled to entry, thus repudiating the assertion of the American Manganese Producers' Association that the Russian ore was being dumped here to the destruction of the American industry. While these actions were being taken with respect to specific commodities, the Kendall-Hawley bill, providing for a strengthening of the tariff act of 1930 in its provisions against the entry of convict-made goods, which passed the House, was killed in Senate committee (see Page 119). The bill, although framed in general terms, was obviously aimed specifically at Soviet trade. The term "free labor" could scarcely be applied in its conventional meaning

to the wage system of Russia, since the entire social structure of that country is founded upon principles of discipline and compulsion which are completely at variance with the basic concepts of our own social order.

On Feb. 25 it was announced from Montreal that the Soviet Union had approached the Canadian Government with an offer to transfer a \$10,000,000 order for farm machinery from American to Canadian firms provided Canada would accept Soviet coal in payment. Mr. Bennett's government countered two days later by an order-in-council which excluded Russian coal, furs, asbestos and all forms of lumber and wood products. The legal basis for this action was an amendment to the Canadian tariff law adopted last September permitting the Governor-in-Council to shut off imports from any country not a signatory to the Treaty of Versailles. Its justification, as stated by the Canadian Government, was the existence of forced labor and political slavery in Russia. "This," says the official statement, "is communism, its creed and its fruits, which we as a country oppose and must refuse to support by an interchange of trade."

That the effect of these attacks by separate States upon Soviet commerce will not be to destroy Russian trade but to deflect it to other countries is shown by the negotiations under way between Germany and the Soviet Union early in March. On Feb. 23 an emissary of the German Foreign Office arrived in Moscow to begin negotiations for a renewal of the Soviet-German trade agreement. Three days later a delegation of eighteen German industrial leaders entered Russia for an extended survey of Soviet industrial needs. These events were hailed by the Soviet press as the beginning of a realignment of Russian trade relations to checkmate the policies of those countries which are unfriendly to Soviet interests. It may be that this interpretation exaggerates the importance of the events; but it scarcely



can be denied that the events are of real significance in the present setting of world affairs. A growing rapprochement between these two countries, both in economic and political affairs, has been apparent for the past twelve months. In economic matters the interests of Germany and Russia are correlative. Russia is in immediate and urgent need of vast quantities of machinery and construction material which she finds increasingly difficult to procure in America because of our restrictions on her buying power. In Germany the metal industries are in a state of profound depression, operating at less than half capacity, with foreign orders fallen to 15 per cent of the 1929 level. The situation gives the Soviet Union opportunities to play off one country against another in economic and diplomatic dealings with the capitalist world, to penalize her opponents when they attempt individual action against her and to prevent concerted action by the conservative States as a group.

The Soviet Union has steadily strengthened her position in the Far East during this period of uncertainty in her relations with the Western World. It is true that the dispute with China over Soviet rights in the Chinese Eastern Railroad, ostensibly set at rest by the Khabarovsk protocol which conceded all the Russian claims, has been kept alive by the assertion of Nanking that the agreement was binding only on the Manchurian Government. After a discussion of the question extending for over a year, Moscow and Nanking have temporarily abandoned their attempt to reach an agreement. But this delay has not prevented the Soviet Government from putting the Khabarovsk agreement into effect. To all intents and purposes Russia has triumphed in the controversy, as is shown by the actual operation of the railroad according to the terms proposed by Russia. Throughout Manchuria Soviet interests have never been in a stronger position than at present. Her sales

agencies are extending their control in this market through operations carried on from Harbin as a base. Her goods are on sale here apparently in abundance and at prices which undermine Japanese competition; and her political influence has grown with the increase of her economic power.

The Soviet Union gave proof of her feeling of security in the Far East when in the Fall of 1930 she closed the Vladivostok branch of the Japanese Bank of Chosen, charging that the bank was engaged in illegal operations in foreign exchange. This act was a direct challenge to Japan and called forth prompt and vigorous protests from the Japanese Government. The Soviet Union, however, has refused to yield; and Japan is now showing her appreciation of the strength of Russia's position on the mainland of Asia by entering into amicable negotiations for a settlement of the dispute.

On her southeastern frontier the influence of the Soviet Union has been vastly increased by the opening of the Turk-Sib Railroad which parallels the border of Chinese Turkestan. The connections between China and this most remote of her provinces have always been tenuous. The trade routes are long and primitive, and subject to the hazard of civil disorder in the Gobi region. The Soviet Government is now building a number of motor roads between the new railroad and the frontier which give ready access to the trade area of Chinese Turkestan. The effect of these new trade channels will be to break the economic affiliation of this large and potentially rich territory with China proper; and to orient its economic life toward the Soviet Union. As a factor of strategic value in her relations with the East, the new railroad more than compensates for Russia's loss of prestige in Afghanistan through the deposition of her friend Amanullah, and in China proper through the outlawry of communism by the Nanking Government.

# THE NEAR AND MIDDLE EAST

ONE of the twenty-eight men sentenced to be hanged for the uprising at Menemen, Turkey, in

December, 1930, escaped from the executioners on Feb. 3 and fled to the hills. The Turkish Government offered \$500 for information leading to his capture, and after two weeks he was betrayed and caught. He suffered the death penalty on Feb. 18. The government continued the régime of martial law in the disturbed region for another month and continued to seek out and arrest other suspected persons, including a number of women. Evidently serious alarm continued as regards religious propaganda contrary to the policies of the government. Groups were arrested at Adana and Gallipoli.

President Mustapha Kemal, after his journey in the Southern provinces, returned to Ankara early in March. To still numerous complaints which he heard during this trip he ordered the dissolution of the National Assembly and new elections to be held within six weeks. Of the 315 Deputies in the Assembly, it is believed that no more than 200 will be re-elected. The remaining seats will probably be filled by men who Mustapha Kemal believes will raise the prestige of the Popular party.

The Turkish budget for the year beginning June 1 has been reduced from \$110,000,000 to \$92,500,000. The principal reductions are in the Departments of Public Works, Agriculture and Education, while the pay of Deputies in the National Assembly will be reduced one-third. The government does not contemplate making payments on the old Ottoman debt according to the plan agreed upon in 1928, but expects to pay only one-third of the \$10,000,000 due for the current year. Expenditures for na-

By ALBERT HOWE LYBYER

*Professor of History,  
University of Illinois;  
Current History Associate*

tional defense are not to be reduced, and in order to hasten the development of Ankara, 2 per cent of the rev-

enues of all large towns and one-half of the road tax will be given to the capital city. No borrowing abroad is contemplated.

On Feb. 22 the government issued new regulations on the sale and export of drugs in Turkey. All manufacturers of narcotics must report daily to the public health authorities stating the amount of drugs on hand and the amount prepared each day. All sales to druggists must be reported within forty-eight hours, and no drugs can be exported until after import licenses have been obtained from the country of destination. Government authorities sealed the three drug factories in Istanbul until the first reports should be made, and arranged for daily inspection. It was reported that two of the factories were considered producing less dangerous drugs, and that the third, which is conducted by Japanese, would probably be closed permanently. Some dissatisfaction was expressed by Turkish producers of opium, but foreign opinion was distinctly favorable to the government's action.

## TARIFF CHANGES IN EGYPT

On Feb. 16 the Egyptian Government proclaimed a law which made about 200 changes in tariff rates. In most cases the duties were increased, particularly upon gasoline, alcohol, cotton yarn and cloth, oils, cement, and preserved and canned fruits and vegetables. In many cases the duty was changed from ad valorem to specific. The former quay tax, which has caused great annoyance to tourists upon arrival in or departure from Egypt, was abolished. The government claimed that the principal mo-





THE NEAR AND MIDDLE EAST

tive in these changes was the necessity for an increased revenue, because of the decline in cotton values and consequent reduction in the yield of taxes. Premier Sidky stated that he was not engaging in reprisals upon the United States for its high tariff, in spite of the fact that the American rate on Egyptian cotton appears to have hurt Egypt seriously. He pointed out that no change was made in the tariff on automobiles, and stated that he would welcome an American trade mission, similar to the British trade mission which was at that time in Egypt.

The Ministry of Education has taken the stand that because of the enlargement and improvement in organization of the Egyptian University, it will no longer be necessary to send groups of Egyptian students to European universities.

The French postoffices in Port Said and Alexandria have been closed, so that henceforth all mail in Egypt, whether for natives or foreigners, will be handled by the Egyptian post-office.

The use of the Suez Canal during 1930 reflected the world-wide trade depression. The number of vessels that passed through the canal was

5,761, a decrease of about 8 per cent, and the net tonnage of 31,700,000 showed a decrease of about 6 per cent. The traffic receipts fell off 8 per cent.

#### BRITISH POLICY IN PALESTINE

The outstanding event in regard to Palestine during February was the publication of a new British Government statement (the full text of which appears on pages 49-52 of this magazine), in the form of an interpretation of the White Paper of October, 1930, which was presented to the House of Commons on Feb. 13. Prime Minister MacDonald had two days earlier expressed reluctance to lay this interpretation, which was in the form of a letter sent to Dr. Chaim Weizmann, president of the Zionist Executive Council, before Parliament as an official document, but he yielded to the urgent request of the Opposition.

Jewish opinion throughout the world was inclined to regard the declaration as involving a change in the British position from the announcement of last October. Dr. Weizmann, who had been negotiating on the points mentioned in the letter, stated that he and his colleagues had received a fair hearing. They were contending not for gains, but for

rights, which they believed to have been seriously infringed by the White Paper. The British Government was considered to have made concessions as regards Jewish immigration and the rights of Jews to employment, public works and freedom of land purchase. The friendly tone of the letter was contrasted with a somewhat testy quality in the White Paper. In Palestine the Jews were on the whole pleased, while the Arabs were inclined to feel that the British Government had been unduly influenced by Jewish pressure to the disadvantage of the Arabs. Neither group appeared to present evidence of any marked change in British policy through the explanations in the letter. A commission of investigation, consisting of Sir Samuel O'Donnell and H. Britain was sent to Palestine at the beginning of February to study, both in that country and in Transjordan, revenue, expenditure and the general organization of the administration.

The Jewish National Assembly, whose seventy-one deputies were recently elected, held its first meeting in the hall of the Nathan Straus Health Center of Jerusalem on Feb. 9, for the purpose of considering questions connected with the external and internal affairs of the Jews of Palestine. There were, as previously expected, two parties or group of parties, the Zionists, including Labor with thirty-five seats, and the Revisionists with twenty-eight seats, besides eight Independents. The Revisionists protested before the first meeting that the Assembly was not representative because of irregularities in the elections. The last session of the Assembly continued through the whole night of Feb. 12, and was marked by the departure at dawn of sixteen Revisionists. These left in protest against a vote approving the continuation of negotiations between the Jewish Agency and the British Government in connection with the White Paper. The Assembly elected as

an executive committee a National Council of Palestine Jews. Its twenty-three members include eleven of the Jewish Labor party, with one Yemenite, four Oriental Jews, three Orthodox, two General Zionists and one woman.

The finances of the Zionist movement have suffered, particularly because of the financial stringency in America. Serious difficulty is expected in completing the plans as budgeted for 1931.

#### *IRAQ AND THE LEAGUE*

On Jan. 22 the treaty of alliance between Great Britain and Iraq, which was signed at Bagdad on June 30, 1930, was brought before the Council of the League of Nations at Geneva. The plan was approved, apparently without opposition. The question of Iraq's admission to the League of Nations was also considered in a preliminary way. The problem of the Kurdish and other minorities in the north and that of the development of petroleum production have caused some persons to see obstacles in the way of Iraq's admission to the League. Some extreme Nationalists in Iraq have set up an opposition to the treaty with Great Britain on the ground that there remains too much interference with the independent action of Iraq. King Feisal appears to have signed the treaty, however, so that it needs only ratification by the British Parliament and the signature of King George.

The financial condition of the country is distressing. Bankruptcies have risen 400 per cent over those in 1928. Government revenues have declined appreciably. Last year's deficit of more than \$1,000,000 is expected to be replaced by a small surplus this year. Observing that the Persian Government receives a very comfortable royalty from the production of petroleum, the Iraq Government is eager for the exploitation of the oil of Mosul. Plans are being arranged for the en-



couragement of industry by loans at a low rate of interest, to the extent of 20 per cent of the working capital of factories.

#### ARABIAN DESERT CROSSED

The Great Southern Desert of Arabia, a wilderness of about 300,000 square miles, was crossed by a white man for the first time in history when Bertram Thomas, a young British explorer, emerged from that unknown waste on Feb. 21. Mr. Thomas, the former Finance Minister and Wazir to the Sultan of Muscat and an experienced Orientalist, set out from Dhofar on the southern coast of Arabia and arrived at Dohah on the Persian Gulf fifty-eight days later, having traveled about 900 miles.

Geographers and explorers who have touched the fringe of that mysterious and terrifying country have been content to leave it as a blank spot on the map, although faint rumors of inland lakes, buried cities and strange tribes whetted their curiosity. But thus far no one had dared do more than chip off tiny fragments of the unknown. Mr. Thomas kept his plans absolutely secret so as not to arouse the tribes of the interior to hostility. He started out with an escort of thirty Arabs and forty camels, and equipped with a prismatic compass, sextant and navigation instruments for mapping. About 100 miles from the sea he found a plateau, 1,000 feet in altitude, covered with seashell fossils. According to local tribesmen, the sands of this plateau had buried beneath them the ancient Urbar, the Atlantis of the Ruba-el-Khali Desert. Caravan tracks, deeply cut in the steppe, gave evidence of ancient commerce with the buried civilization of Urbar.

In addition to sandstorms Mr. Thomas encountered the phenomenon of singing sands, a deep siren-like booming, caused by the wind in the sandcliffs. His next discovery was an inland salt water lake, seven miles

long. The northern area Mr. Thomas found to be all sand, gradually sloping to the sea.

The desert proved to be sparsely inhabited by nomads who subsist on camel's milk. Of animal life Mr. Thomas saw quite a good deal, among the specimens the most prevalent being ravens, bustards, eagles, foxes, hares, lizards, wolves, wildcats, rats and herds of black camels.

The National Geographic Society, as well as noted archaeologists, hailed Mr. Thomas's achievement with admiration and enthusiasm. The society declared that this expedition opened up one of the largest blank spots left on the globe. "All around this Arabian no-man's land," said its statement, "the forces of civilization have played. Steamers traverse the Red Sea, the Indian Ocean and the Persian Gulf. Airplanes ply between Egypt and India, have flown for years a few hundred miles to the north; great pilgrim caravans and desert armies have crossed the peninsula near its centre—but always north of the dreaded sandy wastes. \* \* \*

"Both nature and man have guarded the Ruba-el-Khali against explorers. Mountains rim it on the east and south and secondary deserts hem it in on the north. The main part of the southern desert has been assumed to consist of a vast waste covered with sand dunes; but before this region of shifting sands can be reached, a six-day journey must be made—in the south and east, at least—over an almost sterile sandstone steppe. Water supplies are hardly anywhere in reach for a final dash into the sandy desert.

"All around the outer rim of the desert area are tribes that have had practically no contact with outside civilization, and that are even independent of control from the nearest States. They guard their few wells and waterholes jealously and in most cases look upon travelers from the outside world as meddlesome trespassers meriting death."

# THE FAR EAST

**C**HANG HSUEH-LIANG'S transfer of his post as Commander-in-Chief of the northeastern defense forces to Governor Chang Tso-hsiang of Kirin, Manchuria, and the decision of the former to reside in Peiping did not apparently involve anything resembling a break between the two Manchurian leaders. They continued to work together, the younger Chang making frequent trips to Mukden, where, on Jan. 21, he received from the Japanese Government the first class order of merit with the grand cordon of the rising sun. On the other hand, the change appeared not to have affected the relationship between Mukden and the National Government at Nanking, by which the former is left autonomous in internal matters, while the latter conducts its foreign affairs.

The decorating of Chang Hsueh-liang was a friendly gesture prefacing the effort of Japan, through Consul-General Hayashi, to settle the railway problem in Manchuria. In the middle of January through train service was inaugurated between Peiping and Tsitsihar on the Chinese Eastern Railway. This development is an index of the Chinese hopes of establishing all-Chinese routes across the length and breadth of Manchuria. This the Japanese fear may injure the South Manchuria lines into which they have put many hundred millions of yen. The Peiping-Tsitsihar service takes forty-one hours and enables the journey to be made without using the South Manchuria Railroad. At Tsitsihar connection may be made for Moscow or Vladivostok. Obviously, if Hayashi and Chang were to settle the railway problem it would appear that the Nanking Government was accepting rather than controlling Man-

By HAROLD S. QUIGLEY  
*Professor of Political Science,  
University of Minnesota;  
Current History Associate*

churian decisions even in foreign affairs.

The position of the Chinese Government in Manchuria, with both

Japan and Soviet Russia insisting upon the observance of treaty rights concerning railways in that great principality, remained difficult. China's envoy, Mo Teh-hui, recently back from discussions at Moscow, was at Nanking, but his return to Moscow at an early date was expected. Eugene Chen, Foreign Minister for a time during the campaign of 1926-27, returned to be received into the inner councils of the government. Since the split between the Left and Right wings of the Nationalist party in 1927, Chen, one of the most courageous and able of the younger leaders of new China, had been in Russia. It was stated in Japanese dispatches that Chen would be appointed a special envoy to negotiate for the resumption of regular diplomatic relations with the Soviet Union.

The Rev. Pierre Robert, assistant director of the French Catholic Foreign Missionary Fathers and in Chinese missionary work for thirty-eight years, declared in Paris that foreign intervention was imperative to stop the activities of Soviet agents in China, which he credited with causing 20,000,000 deaths during the last seven years. He included 4,000,000 who died by starvation. No estimate of the possible effect of intervention upon Chinese subjects was mentioned in the dispatch.

Nanning, in Southern Kwangsi, an important city but not the capital as reported, has remained in the hands of P'ai Chung-hsi, Kwangsi General. No appreciable change has been reported in the South China situation, where a Communist-led peasantry is in control. The U. S. S. Panay exchanged shots with a contingent of irregulars above





THE FAR EAST

Hankow on Feb. 1, emerging without casualties, and the U. S. S. Oahu went through a similar experience on Feb. 3. Yochow, in Hunan Province, an important river port, fought off a "Red" army on Feb. 1. The National Government announced recapture by its armies of Macheng, Hupeh Province, just north of Hankow, after a week's battle, and the defeat of a force at Nanfeng, Kiangsi Province. The government has confiscated the estates of former Governor Yen Hsi-shan of Shansi.

Dr. Frederick A. Cleveland, member of the Kemmerer commission and an American authority on public finance, has been appointed acting associate chief inspector of the Chinese salt gabelle, succeeding F. H. Freke, an Englishman, who became an adviser to the Ministry of Finance. The Department of State has appointed Willys R. Peck formerly counselor at Peiping and assistant chief of the Far

Eastern Division of the State Department, Consul General and counselor of the legation at Nanking. Mr. Peck speaks Chinese like a native.

The Ministry of Communications recently announced that Robert Dollar was seeking a concession to operate a fleet within Chinese coastal waters under the Chinese flag. The Ministry requested a modification of the proposal by which a company might be formed under Chinese control with American participation. The office and ship personnel was to be Chinese under the Ministry's plan. Chinese shipping interests opposed any scheme which would run counter to China's efforts to regain her coastal and inland shipping rights.

The Chinese Ministry of Railways issued statistics indicating that the country has 12,335 miles of railway in operation and eighty-seven miles under construction. Revenue during the first eight months of 1930 on twenty-

two main lines showed a decline of 6.3 per cent from that of the same period of 1929. In February a committee on communications of Manchuria decided to raise the 55,900,000 yen (\$27,950,000) needed to redeem Japanese loans on three railways in the area. The committee heard a report upon negotiations with a German syndicate for a loan of \$50,000,000 (approximately \$10,000,000 gold) for railway purposes. Sun Fo, Minister of Railways, stated that the funds available through the return of the British Boxer indemnity would build 1,000 miles of railway and that the first allotment would be used to complete the Canton-Hankow line.

Commercial aviation was sufficiently successful in China during 1930 to encourage the German Lufthansa Company to make a contract with the National Government for an air mail service between Nanking and Berlin over Soviet territory. The Chinese-American mail and passenger service between Shanghai and Hankow, which operates on a six-day week schedule, after a year's experience was carrying passengers up to 65 per cent of capacity over the 600-mile route. This contract provides for extension of service to Canton, Chengtu and Tientsin.

A mandate has been issued governing the election of delegates to the people's convention to be held in May. By it 450 are to be elected from the various provinces, 22 from certain municipalities, 12 from Mongolia, 10 from Tibet and 26 from Chinese resident abroad. Elections are to be held by peasants' unions, labor unions, chambers of commerce and industrial organizations, educational institutions and the Kuomintang (Nationalist party), the numbers allotted to each group in each district being specified by Nanking.

#### WOMAN SUFFRAGE IN JAPAN

The Japanese Ministry has brought in a bill to enfranchise women in elections for village, town and city assem-

blies on the same conditions as men and to permit them to be candidates for these assemblies. Prefectural elections and elections for the lower house of the National Diet were not brought within the scope of the bill. A protest conference of 700 women, representing associations of thirty-three prefectures, was held in Tokyo at which full voting and political rights were demanded.

Interesting facts upon the applicability of the jury system to Japan have been reported in the Japanese press. On the whole, results were disappointing, since during the three years and four months of its operation only 111 juries were empaneled. In three jurisdictions no jury was used, while in each of fourteen others a jury was used only once.

Ex-Governor Yamanashi of Chosen (Korea) has been acquitted of the charge of taking a bribe of \$25,000 from a man who sought a license to establish a rice exchange at Fusan. The Governor admitted receiving the money but said it was accepted on behalf of a political party and that he later returned it. The would-be briber forfeited the money and went to prison for five months.

Foreign Minister Shidehara ran afoul of the Opposition party's tactical loyalty when, in the Budget Committee, he replied to a query upon the London naval treaty by saying: "The London treaty has already been ratified. The fact that it has been ratified is clear evidence that the treaty will not endanger the national defense." The Seiyukai demanded withdrawal of the statement on the ground it was tantamount to placing the responsibility for the treaty upon the Emperor, whose name must never be brought into political discussion. The committee session broke up in an uproar. Three days later a dozen persons, two of them members of the Diet, were injured in a free-for-all fight in an anteroom of the lower house. A day later the Budget Committee indulged in a mêlée, damaging



noses and furniture. After ten days of disorder, in which the Diet failed to make progress, the quarrel ended in the withdrawal of the offending statement. Baron Shidehara, upon whom the brunt of Opposition attacks fell, because he was acting as Premier in the absence of Osachi Hamaguchi, was questioned also in the House of Peers concerning a statement of William R. Castle Jr., to the effect that a Japanese newspaper had quoted Shidehara as admitting to Mr. Castle that a war with the United States would mean the ruin of Japan.

The Japanese Government has refused to pay fishing royalties at the Soviet exchange rate of the ruble, 40 sen, offering 30 sen, instead. The difference involved a premium upon the Japanese view of their obligation amounting to \$300,000. The fisheries asserted that this was sufficient to make their concession unprofitable, while the Tokyo Government saw in the Soviet demands the intent to annul the treaty right of participation in the annual auctions of the fishing grounds off the mouth of the Amur.

The threat of a controversy with the United States over the fisheries in Bering Sea was at least temporarily removed by a conference in Tokyo. The question involved was the respective interests of American halibut, salmon and cod fisheries and of Japanese crab fisheries. The former were finding the latter a danger to their business. The Japanese intimated after hearing the American side of the case that they would not send trawlers and canneries into the Bering Sea during the coming Summer.

Ambassador William Cameron Forbes has been visiting in the Philippines. According to the *China Weekly Review* (Jan. 17, p. 250), a Reuter dispatch from Manila stated that Mr. Forbes was desirous of investigating Japanese immigration into the islands. Japanese were reported as going there to the number of 2,000 a year, principally to Davao, and to number at present about 15,000. It was believed that a means of regulating such immigration without legislation was being sought.

The progress of Japan's cotton industry is revealed in the figures for its export trade. According to C. K. Moser of the Department of Commerce, in the first ten months of 1930 Japan, with about 7,000,000 spindles, exported 1,309,059,000 square yards of cotton cloth compared with but 357,468,000 yards shipped by the United States, with 34,000,000 spindles, and 2,146,299,300 yards exported from the United Kingdom, with over 55,000,000 spindles.

The resignation of the Governor and other high officials of Taiwan (Formosa) has been accepted by the government in consequence of the Musha revolt of the aborigines. Two officials of the Labor parties after a private investigation of the causes of the revolt reported that the natives objected to forced labor at reduced wages and to the taking of timber for the building of a school for their children from land considered by the natives to be a part of their reserve. Criticism was voiced by the Japanese press at the appointment of a man trained in the field of police administration to be the new Governor of the island.



*Underwood & Underwood*

NICHOLAS LONGWORTH

Representative from Ohio and Speaker of the House since 1925, who died  
on April 9





*Times Wide World*

**GEORGE HOWARD FERGUSON**

Canadian High Commissioner to Great Britain, chosen chairman of the  
International Grain Conference which opens in London on May 18



*Times Wide World*

**THOMAS L. CHADBOURNE**

American lawyer, through whose good offices an international agreement curtailing sugar production has been concluded



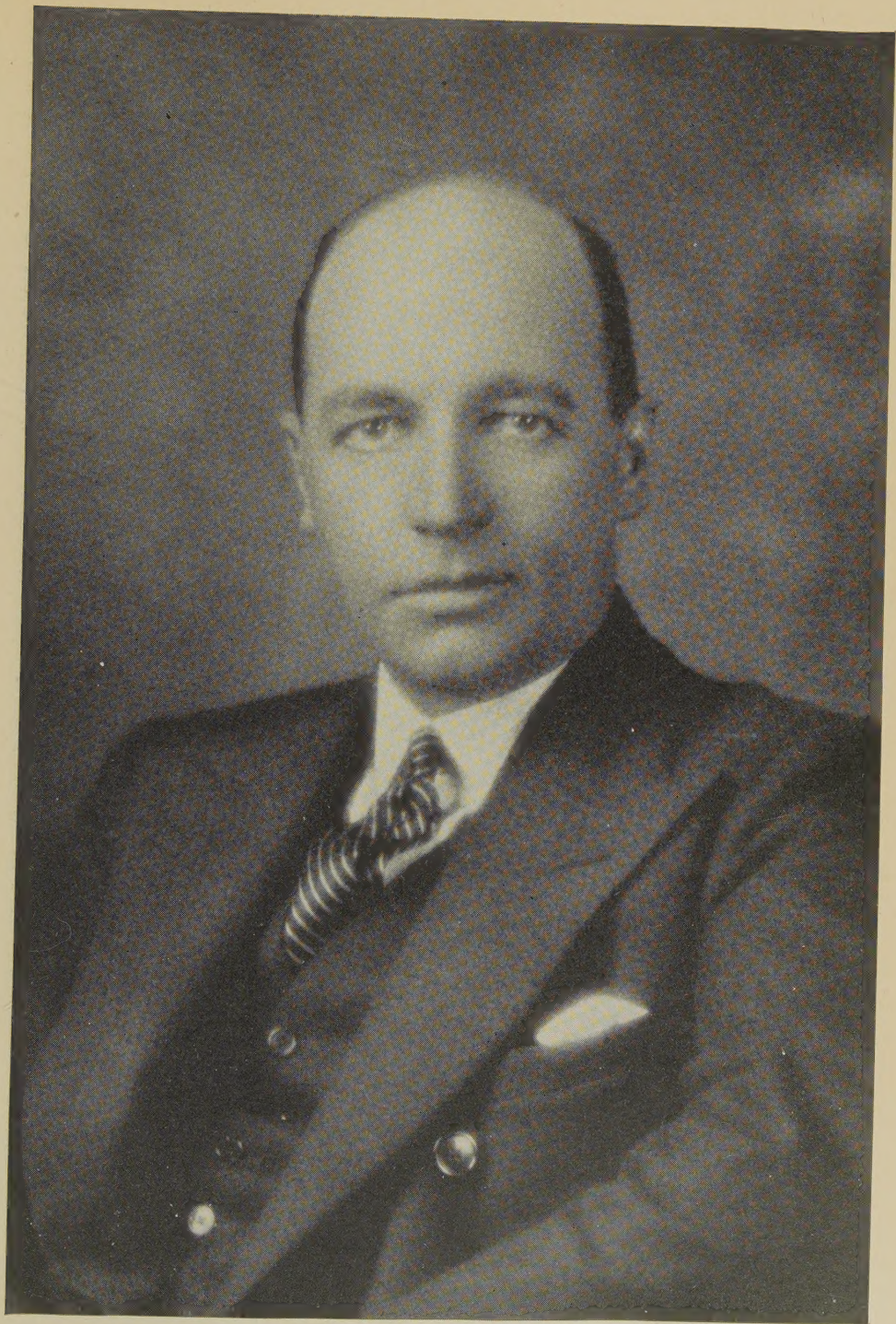


*Underwood & Underwood*

**PRAJA DHIPOK, KING OF SIAM**

This modern Oriental monarch is now visiting the United States. (See article on page 226)

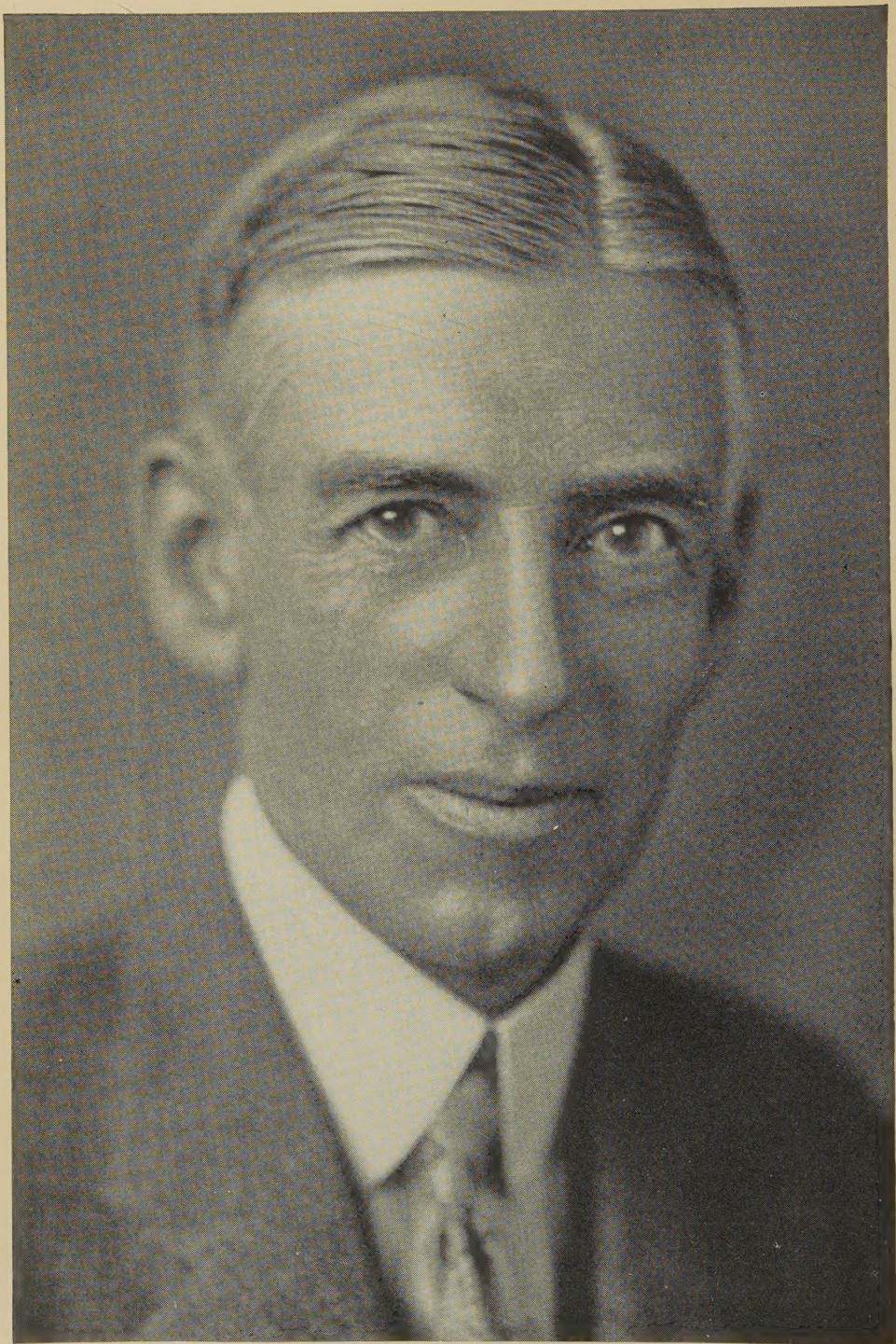




*John Powis, Ottawa*

MAJOR WILLIAM DUNCAN HERRIDGE  
The new Canadian Minister at Washington





*Harris & Ewing*

**CHARLES J. RHOADS**

Commissioner of Indian Affairs, whose report based on a year's research, recently resulted in a reorganization of the Office of Indian Affairs by Secretary Wilbur. (See article on page 179)



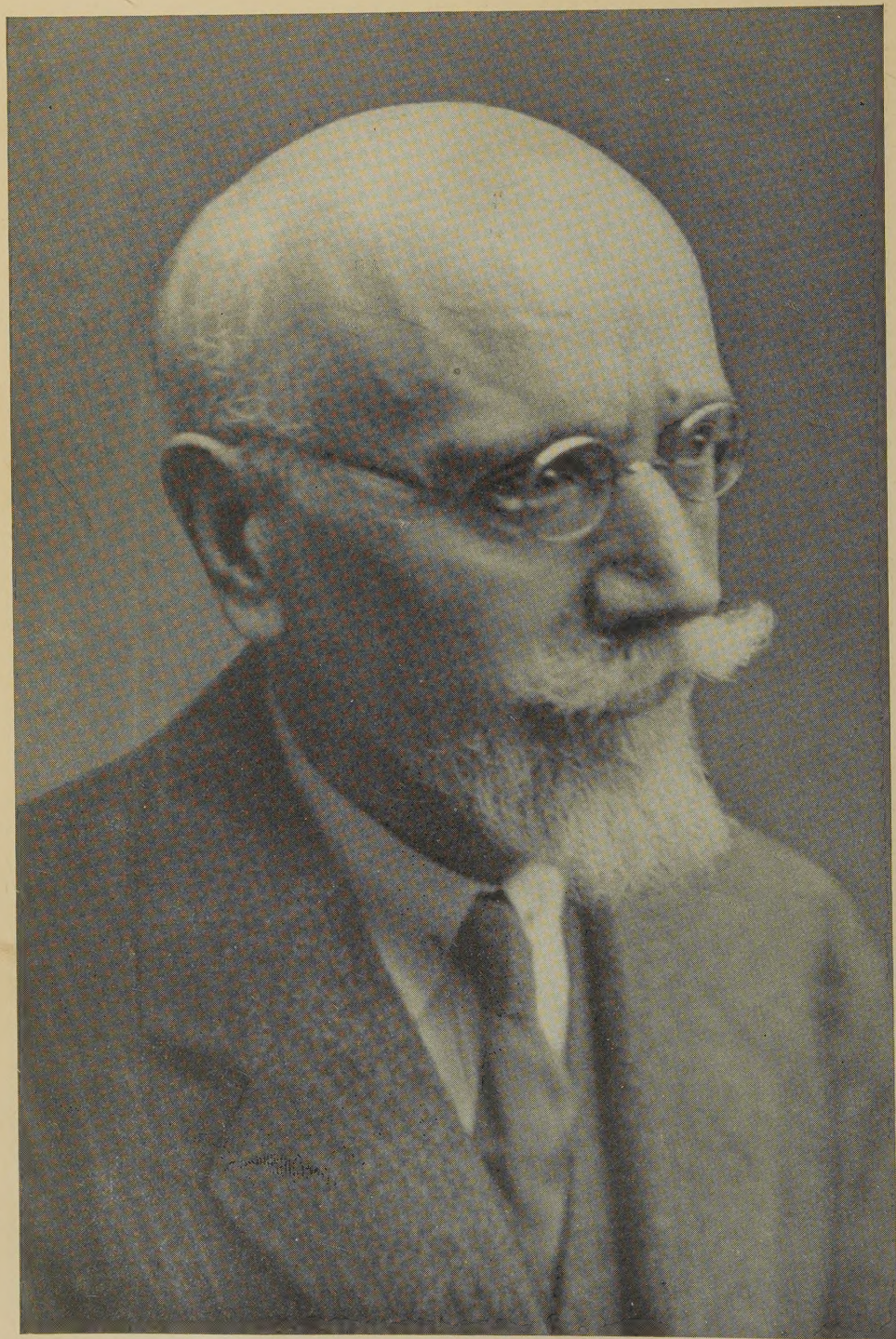


*Harris & Ewing*

WILLIAM R. CASTLE, JR.

Former Ambassador to Japan and Assistant Secretary of State, appointed  
Under Secretary of State to succeed the late Joseph P. Cotton





*Times Wide World*

ELEUTHERIOS VENIZELOS  
The veteran Premier of Greece. (See article on page 193)